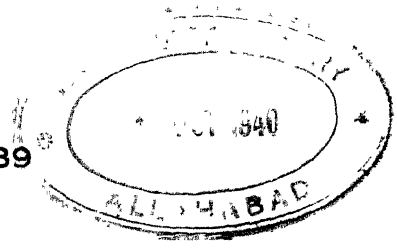
INDIAN CHAMBER OF COMMERCE
CALCUTTA

ANNUAL REPORT

OF THE

COMMITTEE

FOR THE YEAR 1939



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ARTICLES OF ASSOCIATION

OF

The Indian Chamber of Commerce.

CALCUTTA.

(As amended upto 27th February, 1939)

Registered under the Indian Companies Act (VII of 1913).

1. In the Articles, unless there be something in the subject or context inconsistent therewith,

"The Chamber" means "The Indian Chamber of Commerce, Calcutta" incorporated under the provisions of the Indian Companies Act, 1913

"Member" means a member of the Chamber including a member provisionally elected.

"General Meeting" means a general meeting of the Chamber.

"The President" means the President of the Chamber

"The Vice-President" means one of the Vice-Presidents of the Chamber competent to act under these Articles

"The Committee" means the Committee of the Chamber elected under these Articles

"The Secretary" means the Secretary to the Chamber.

"Indian" for the purpose of these Articles shall include any person of Indian descent in the male line born, naturalised or domiciled in India or in any of the Indian states or any such person who is a child or grandchild of any such person

2 For the purpose of registration, the Chamber is declared to consist of 500 members.

3 The Committee may, when they think fit, register an increase of members

4 The Chamber is established for the purpose expressed in the Memorandum* of Association.

Members

5. Every individual, firm, joint-stock company or other corporation, who or which signed the application form issued in the name of the Chamber up to 30th January, 1926, and has his or their name entered to the register of members, shall *ipso facto* and without

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*Please refer to the report for the year 1937.

election be a member of the Chamber and have his or their name entered in the register of members

6 Merchants, bankers, ship-owners, representatives of commercial, transport or insurance companies, brokers and persons engaged in commerce, agriculture, mining or manufacture, and persons engaged in or connected with art, science or literature, who are Indians, shall be eligible for election as members of the Chamber.

†7. Any firm, joint-stock company or other corporation engaged in or connected with commerce, agriculture, mining or manufacture shall be eligible for election, as a member of the Chamber in their conventional or corporate name, provided that when applying for election, in the case of a firm not less than one half of the proprietory interest thereof is represented by an Indian or Indians and in the case of the joint-stock company and other corporation not less than one half of the directors are Indians or not less than one half of its capital is owned by Indians Provided however notwithstanding anything hereinbefore contained any company or other corporation which is a public utility concern in India shall be eligible for election as a member of the Chamber Any firm, company or corporation being a candidate for election as a member of the Chamber shall send with the proposal form, provided for by Article 9 of these Articles, a declaration that it is eligible for election as a member of this Chamber.

8. Subject to the provisions and restrictions of these articles the rights and privileges of membership may, in the case of a firm elected in their conventional name as a member of the Chamber, be exercised by any partner in such firm or by such person authorised by power of attorney or letter of procuration or otherwise to the satisfaction of the Commitee to sign the name of the firm or to sign such name per procuration and may, in the case of a joint-stock company or other corporation, elected in their corporate name as a member of the Chamber, be exercised by a Director, Manager, Secretary or any other responsible officer of the company or corporation or a person authorised by power of attorney to exercise the same or any other person who in the opinion of the committee, is competent to exercise the same on behalf of the company or corporation, subject nevertheless to the following reservations, namely:—

(*a*) The representatives of a firm, joint-stock company or other corporation entitled under this Article to exercise the rights and privileges of membership must have their names registered in the books of the Chamber in order to exercise the aforesaid rights and privileges.

†As amended at the Special General Meetings held on the 19th August and 6th September 1929.

(*b*) Notwithstanding the provisions of Article 6 of these Articles, a registered representative exercising the rights and privileges of membership in respect of a firm, company or corporation elected under the last preceding Article may be a person who is not an Indian

(*c*) For each act of exercise of the rights and privileges of membership by a firm, company or other corporation member, only one representative shall be recognised

(*d*) Only one registered representative of a firm, company, or other corporation members shall be entitled to attend a meeting of the Chamber and take part therein.

9 A candidate for election as a member of the Chamber, whether an individual, firm, joint-stock company or other corporation shall be proposed by one and seconded by another member, and may after previous circulation of his or their name among the members of the Chamber be provisionally elected by the Committee and such election shall be subject to confirmation at an ordinary or special general meeting The proposal form setting out such details as may be prescribed by the Committee from time to time shall be sent to the Secretary signed by the proposer and the seconder A member provisionally elected by the Committee shall exercise the full rights and privileges of membership.

10 The Committee shall decide any question which may arise as to the eligibility or otherwise of a candidate for admission as a member of the Chamber and their decision shall be final and they shall not be bound to assign any reason for their action

11. Except as hereinafter provided a firm shall not cease to be a member by reason only of a change in the constitution of the firm occasioned by the admission, retirement or death of a partner provided the business of the firm is continued in the conventional name in which such firm was elected a member

12 A firm, joint-stock company or other corporation shall *ipso facto* cease to be a member of the Chamber upon any change being made in conventional or corporate name of the firm, company or corporation.

13 Any member may withdraw from the Chamber by giving two months' notice in writing to the Secretary of the intention of such member so to do and upon the expiration of the notice, such member shall cease to be a member of the Chamber

14 A member shall cease to be a member of the Chamber :—

(*a*) In case a member is an individual, if he is an undischarged insolvent or if he is adjudged by a competent

court to be of unsound mind or if he is convicted of an offence involving moral turpitude

(*b*) In case of a firm, if it is dissolved or adjudged insolvent or the partners are convicted of offence involving moral turpitude.

(*c*) In case of a company, if it is wound up.

15. An annual subscription of Rs 100 shall be paid by each member of the Chamber whose registered address is within the local jurisdiction of the Calcutta, Howrah, Baranagor and Tollygunge Municipalities and Rs. 50 by other members All members elected after the 30th of June shall pay one half of the above amount for the remainder of the year The first subscription of each new member shall be due on election and all other subscriptions shall be due on 1st of January each year and shall be paid in one instalment

16 A majority of three-fourths of the members present in a meeting and entitled to vote may by a resolution remove from the list of members the name of any member or refuse to confirm his or their provisional election by the Committee Any such person, firm, company, or corporation shall, from the passing of such resolution, cease to be a member of the Chamber or to exercise the rights and privileges of membership as the case may be

17 Any member, who shall by any means cease to be a member, shall remain liable for and shall pay to the Chamber, all moneys which at the time of such member ceasing to be a member, may be due from such member to the Chamber

18. Any member whose subscription shall be three months in arrear and who shall not pay such arrears within two months after written notice calling for such payment, shall cease to be a member. Such notice shall be issued by the Secretary to a member under the express direction of the Commitee

19. The Committee may invite any person being a Government official connected with trade, commerce or industries, or a person distinguished in public service at a meeting of the Chamber or of the Committee, as they may think fit from time to time.

Register of Members

20. A register of members shall be maintained in which shall be entered such information about the members as the Committee may from time to time decide.

Administration

21. The administration of the affairs of the Chamber shall be vested in a body hereinafter called the Committee.

*22. There shall be the following officers of the Chamber, namely, a President, two Vice-Presidents, ordinary members of the Committee and a Secretary There may also be an Assistant Secretary The officers of the Chamber, with the exception of the Secretary and the Assistant Secretary (if any) shall act without remuneration.

*23 The Committee shall consist of the President, the two Vice-Presidents of the Chamber, and 18 ordinary members, but the Committee may also elect an economist or an expert in some special subject, as an additional member of the Committee The person so elected need not be a member of the Chamber Such person will have the same privileges in the Committee as the members of the Committee otherwise elected Such person may be elected by the Committee either for a temporary period or for a period not extending beyond the date of the next Annual General Meeting when the Committee of the Chamber is elected.

24 The first Committee of the Chamber shall be composed of the following members;

President

1. Mr G D. Birla (Birla Brothers, Ltd.)

Senior Vice-President

2 Mr Anandji Haridas (Anandji Haridas & Co.).

Vice-President

3. Rai A C. Banerjee Bahadur (A C. Banerjee & Co.).

Committee

4. Mr. D. S. Erulkar (Scindia Steam Navigation Co., Ltd.).
5. ,, N. Rajabally (Himalaya Assurance Co , Ld).
6 ,, K. J. Purohit (Batliboi & Purohit).
7. ,, Nagarmull Bajoria (Soorajmull Nagarmull).
8. ,, Nand Lal Puri (Central Bank of India, Ld)
9. ,, A N Palit (Calcutta Soap Works, Ld)
10 ,, Ranglal Jajodia, M L A (Jajodia Cotton Mills, Ld.).
11. ,, D P Khaitan, M L C. (Kesoram Cotton Mills, Ld.).
12. ,, Ghansyamdas Jagnani (Nopechand Magniram)
13 ,, Ram Kumar Poddar (Ram Kumar Shewchandray).
14. ,, A. L Ojha (Khengarjee Amritlal & Co).
15. ,, G. P. Dutia (Mooljee Jaitha & Co.)
16. ,, Faizullabhai Gangjee (Gangjee Sajun & Co).
17. ,, E. P. Guzder (P. E Guzder & Co)
18. ,, N. C. Sircar (Kerr Tarruck & Co.)

*As amended at the Special General Meetings on the 25th November and 16th December, 1932.

§25. The President, Vice-Presidents and ordinary members of the Committee shall retire at each Annual General Meeting. and shall be eligible for re-election, provided that no person shall be elected as the President for any two consecutive terms

*26 If the President, a Vice-President or any ordinary member of the Committee do not attend ten consecutive meetings of the Committee, the Committee shall declare his office vacant, and he shall thereupon cease to be a member of the Committee

Election.

27. At each Annual General Meeting there shall be elected the President, Vice-Presidents and such ordinary members of the Committee as can be elected according to article 28

**28 The election of the President, Vice-Presidents and ordinary members of the Committee shall be determined by a majority of votes of the members of the Chamber to be taken by voting cards, as hereinafter described Provided that ten ordinary members of the Committee shall be elected to represent ten specific trades to be elected by reason of importance or minority and further, such a number (not exceeding four) shall be elected by the other elected members of the Committee, as shall be determined from time to time by bye-laws† made under this Article by the members of the Chamber. Such bye-laws may be added to, altered or rescinded by the Chamber in General Meeting by passing an Extraordinary Resolution within the meaning of the Indian Companies' Act.

29. At least one month before the date of the Annual General Meeting, not being later than 15th January in each year, the Secretary shall issue a notice inviting the members to communicate their intention to serve as the President, a Vice-President or an ordinary member of the Committee, to be elected by the members of the Chamber and the members shall within seven days from the date thereof write to the Secretary intimating their intention

30. The Secretary shall cause to be entered names of all such persons who have communicated their candidature for election as the President, a Vice-President or an ordinary member of the Committee to be elected by the members of the Chamber in the voting papers which shall be sent to the members, signed and numbered by him, clear fourteen days before the date of the Annual General Meeting. The

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§As amended at the Special General Meetings held on 25th February and 13th March, 1936

*As amended at the Special General Meetings on 19th August and 6th September, 1929.

**As amended at the Special General Meetings on 25th November and 16th December, 1932.

†*Vide* page XIII.

members shall return the voting papers to the Secretary clear seven days before the date of the Annual General Meeting, after which no voting paper shall be received

31 On the return of the voting papers to the Secretary, each paper shall be examined by two members, (not being candidates for election as member of the Committee) who shall be appointed by the Committee as scrutinisers Of the candidates for election as the President and Vice-Presidents, the candidate securing the highest number of votes shall be elected as the President and the candidates securing the next two largest number of votes shall be elected as the senior Vice-President and the Vice-President of the Chamber respectively. The election of the ordinary members of the Committee to be elected by the members of the Chamber shall be determined by a majority of votes secured by the candidates seeking such election as ordinary members The reports of the scrutinisers shall be published by the Secretary at least three clear days before the date of the Annual General Meeting

32. Any vacancy occurring in the office of the President, Vice-Presidents or an ordinary member of the Committee during the interval between two Annual General Meetings shall be filled up by the Committee in such manner as they may decide

Auditor

33 At each Annual General Meeting an Auditor shall be appointed according to the provisions of the Indian Companies Act.

President

34. The President shall preside at all meetings of the Commitee, at all general meetings and lead all deputations He shall preside at the Annual General Meeting, may address the members on such subject as he may deem proper, but such address shall not be taken to represent the views of the Chamber or of the Committee unless such representation is expressly indicated

35 The President shall also, at any time when he shall deem proper, communicate to the Chamber or to the Committee such matters and shall make such suggestions as may, in his opinion, tend to promote the prosperity and welfare and increase the usefulness of the Chamber, and shall perform such other duties as may be incidental to the office of President.

Vice-President

36. The senior Vice-President in the absence of the President, shall have the powers and perform the duties of the President In the absence of both the President and the senior Vice-President, the

powers and duties of the President shall be exercised and discharged by the other Vice-President.

The Committee

37 The Committee shall meet at such times, as they or the President may deem advisable, and make such regulations as they think proper as to the summoning and holding of meeting of the Committee, and for the transaction of business at such meetings, and the record of their proceedings shall be open to the inspection of the members subject to such regulations as the Committee may from time to time deem expedient to make

38. The President and in his absence the senior Vice-President shall be the ex-officio Chairman of the Committee In the absence of both, the other Vice-President shall act as Chairman.

39. Five Members of the Committee shall form a quorum for the transaction of business provided however that at any adjourned meeting of the Committee any number of members, not less than 3, may proceed to transact the business

40. A yearly report of the proceedings of the Committee shall be prepared, printed and circulated for the information of the members of the Chamber, at least three days previous to the Annual General Meeting. Such report shall be submitted to the Annual General Meeting for adoption.

41. The management of the business and funds of the Chamber shall be vested in the Committee. In addition to the powers by these Articles expressly conferred upon them, the Committee shall be entitled to exercise all such powers and do all such acts and things as may be exercised or done by the Chamber including the carrying out of all the objects of the Chamber as set forth in the Memorandum of Association, provided that any of them is not hereby or by law expressly directed or required to be exercised or done by the Chamber in a General Meeting.

42. Without prejudice to the generality of the powers conferred by Article 41 hereof, the Committee shall have power—

(*a*) To make, vary and repeal rules for the regulation of the business of the Chamber, of the officers or servants or of the members of the Chamber or of any department or section of the Chamber.

(*b*) *To appoint any departmental Committees or Sub-Committees consisting of the members of the Committee of the Chamber which may include representatives of Affiliated Bodies, such departmental Committees or Sub-Committees may be permanent or temporary as the Committee may determine.

(*c*) To delegate, subject to such conditions as they think fit, any of their powers to departmental Committees or Sub-

*As amended at the thirteenth Annual General Meeting held on 27th

Committtes, and to make, vary and repeal rules for the regulation of the proceedings of departmental Committees or Sub-Committees.

(*d*) To enter into arrangements upon such terms and subject to such conditions as the Committee may deem desirable for working in connection with any Association organised for the protection or better development of any branch of trade, commerce or manufacture by Indians or with like objects that may apply to be allowed to work in connection with the Chamber, provided the objects for which such Association is or shall be formed are not inconsistent with the objects of the Chamber as defined in its Memorandum of Association

(*e*) To make such rules as the Committee may consider expedient for the regulation of the joint working of the business of any Association connected with the Chamber or for the purpose of defining the terms and conditions or the joint working of the business of such Association or as may from time to time be agreed upon between such Association and the Committee.

(*f*) To appoint and from time to time remove such clerks and servants in the employ of the Chamber as the Committee will think fit and to fix the remuneration to be paid.

Secretary

43. The Secretary shall devote himself entirely to the business and affairs of the Chamber except in cases where he has received the special permission of the Committee. He shall have charge of all correspondence and shall keep an account of the funds of the Chamber and of funds connected with or in any way controlled by the Chamber and of all moneys received and spent by the Chamber and of the assets, credits and liabilities of the Chamber He shall keep accurate minutes of all meetings of the Chamber and of the Committee, of the Departmental Committees and Sub-Committees, and of all Associations connected with the Chamber. He shall have the care of the rooms, furniture, library, pictures and of all documents belonging to the Chamber He shall give notice of all meetings of the Chamber, of the Committee, of the Departmental Committees and Sub-Committees of the Chamber and of all Associations working in connection with the Chamber. He shall duly notify members of their election, shall countersign all cheques signed by the President or any Chairman of an Association, fund or Committee, shall collect all dues of the Chamber and grant receipts. He shall endorse all cheques, dividend warrants and other

negotiable instruments. He shall institute, prosecute and defend suits and other proceedings in which the Chamber may be concerned. He shall prepare the annual report of the Chamber under the guidance of the Committee and the reports of all Committees and all Associations connected with the Chamber and generally shall perform all such duties as are incidental to his office.

Assistant Secretary

44. The Assistant Secretary, in the absence of the Secretary, shall perform all or any of the duties of the Secretary and such of the duties of the Secretary as may be assigned to him from time to time by the Secretary with the sanction of the Committee

Auditor

45. The Auditor shall audit the accounts of the Chamber, of Departments of the Chamber and of all funds connected with or controlled by the Chamber.

General Meeting

46. General meetings shall be held in the month of February in every year at such place as the Committee may consider convenient for the despatch of business, at which a report of the proceedings of the Committee and the yearly accounts shall be submitted for confirmation. Such meetings shall be called the Annual General Meetings.

47. The Committee may, whenever they think fit, convene a special General Meeting either for purpose of transacting any special business or for placing before the members of the Chamber a review of their activity in the preceding months.

48. A special General Meeting shall be convened by the Committee upon the requisition of not less than one tenth of the members of the Chamber subject to a minimum of ten. The requisition so made shall express the object of the special General Meeting proposed to be called and shall be presented to the Secretary.

49. Upon the receipt of a requisition under the last preceding Article, the Committee shall forthwith proceed to convene a special General Meeting. In case the Committee for ten days after the delivery of such requisition fail to convene a special General Meeting to be held within twenty-one days of such delivery, the requisitionists may themselves convene meeting to be held within six days after such delivery. If for consideration of any matter notices longer than seven clear days are required, such longer time shall be added to the several periods mentioned above.

50. Notice of seven clear days shall be given of a special General Meeting convened to place before the members a review of the activity

of the Committee or to consider any important matter on which the Committee may desire to consult the members; longer notices of not less than clear fourteen days shall be given of special General Meeting convened for other purposes as may from time to time be determined by the Committee.

*51 Notwithstanding the provisions of the last preceding Article and subject to the provisions of the Indian Companies Act, 1913, as to the power to alter regulations by special resolution, forty-five days' notice at the least specifying the place, the day and the hour of the meeting and the nature of the special business, shall be given of any special General Meeting convened to revise, alter or amend the regulations of the Chamber as contained in these Articles of Association.

52. The non-receipt of a notice convening any General Meeting by any member shall not invalidate the proceedings at any such meeting.

53. Twenty members present and entitled to vote at an Annual General Meeting shall constitute a quorum, but at any special General Meeting twenty-five members present and entitled to vote shall constitute a quorum. Any person representing different members shall be counted as many times as the number of members he represents.

54. If within half-an hour from the time appointed for a special General Meeting a quorum of members is not present, the meeting, if convened on the requisition of members, shall be dissolved. In any other case the meeting shall stand adjourned to the same day in the following week at the same time and place and if at such adjourned meeting the quorum of members is not present, the business on the agenda shall be transacted by the members present whatever be their number.

55. The Chairman may with the consent of the meeting adjourn any meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

56 Every question submitted to a General Meeting shall be decided by a majority of members present and voting at such meeting.

Votes of Members

57. Every member shall have one vote. In case of an equality of votes, the President shall exercise a casting vote.

Notices

58. A notice may be served upon any member either personally or by sending it through the post in a prepaid letter addressed to such member at such member's registered address

*As amended at the Special General Meetings on 19th August and 6th September, 1929.

Funds

59. The funds of the Chamber shall be deposited in an approved bank and such part thereof as shall not be required for current expenses may at the discretion of the committee be invested in securities; such securities shall not be sold or dealt with except at the direction of the Committee. The account with the bank shall be operated upon by cheques signed by the President or either of the Vice-Presidents and countersigned by the Secretary.

Seal

60. The Committe shall forthwith provide a common seal for the Chamber. The seal shall be deposited with the Secretary and shall never be affixed to any document except in the presence of the President or Vice-President and in pursuance of a resolution of the Committee or of the Chamber in General Meeting. Deeds, bonds and other documents required to be made under seal shall be deemed to have been duly executed on behalf of the Chamber if sealed with the common seal of the Chamber and signed by the President or Vice-President and countersigned by the Secretary or the person acting as Secretary.

INDIAN CHAMBER OF COMMERCE, CALCUTTA.

Bye-Laws made under Article 28 of the Articles of Association of the Chamber.

(AS AMENDED BY SPECIAL RESOLUTIONS PASSED AND CONFIRMED AT THE SPECIAL GENERAL MEETINGS OF THE CHAMBER, HELD ON THE 25TH NOVEMBER, AND 16TH DECEMBER, 1932).

*1, There shall be one member of the Committee to represent each of the following interests:—

1. Finance.
2. Insurance.
3. Produce.
4. Jute & Jute Manufactures
5. Cotton & Cotton Manufactures.
6. Coal.
7. Transport.
8. Hardware & Engineering.
9. Salt and Chemicals.
10. Rice

2. After the notice has been issued by the Secretary inviting the members to communicate their intention to serve as ordinary members of the Committee under provisions of Article 29 of the Articles of Association, such members as are willing to be elected to the Committee as representative of one of the aforesaid interests shall within the prescribed period write to the Secretary intimating their intention.

3. The Committee shall decide if any member offering himself for election as a representative of particular interest under provisions of Bye-law 2 actually represents the same. The Committee shall have the right to reject any such offer and the decision of the Committee shall in this respect be final, provided that on such rejection the member offering himself for such election shall be deemed to have offered himself for election to a seat not reserved for representation of specific interests.

4. The voting cards issued by the Secretary under provisions of Clause 30 of the Articles of Association shall clearly indicate the members who are seeking election to the Committee as representing any of the specified interests and a vote shall be recorded by the members

*As amended at the Special General Meetings held on the 25th November and 16th December, 1932.

of the Chamber in respect of one but not more than one of the candidates seeking election as representative of each special interest.

*5. The number of members of the Committee to be elected by the other elected members of the Committee, as provided for in Article 28 of the Articles of Association, shall be four.

*As amended at the Special General Meetings held on the 25th November and 16th December, 1932.

Rules framed by the Committee of the Indian Chamber of Commerce, Calcutta, on 28th January 1927, governing the election of Commissioners by the Chamber to the Calcutta Port Trust under Provisions of Article 42 (*a*) of the Articles of Association of the Chamber.

1 As soon as possible after the Chamber has been called upon to elect a Commissioner or Commissioners to the Calcutta Port Trust whether such election becomes necessary either for the initial or periodical constitution of the Trust under the provisions of the Calcutta Port Act, 1890 as amended by the Calcutta Port Act, 1926 or with a view to filling any casual vacancy, the Committee shall authorise the Secretary or such other person as the Committee may think fit to issue a notice inviting members to communicate their intention to offer themselves for election. Such intention shall be communicated by the members offering themselves for election within 7 clear days from the date of issue of the notice.

2 After the candidatures for election have been received from the members by the Secretary, the same shall be laid before the Committee who shall determine whether the persons seeking election, as a Commissioner by the Chamber are eligible for such election, having regard to the provisions of Article 8 of the Articles of Association of the Chamber.

3. After the candidatures for election have been scrutinised by the Committee as indicated in Rule 2 above, if it is found that the number of candidates for election exceeds the number of vacancies, the Secretary shall send the names of such candidates to each member of the Chamber at least 10 clear days before the date of election. The Secretary shall also issue to each member of the Chamber a voting page signed and numbered by him. The members shall sign and return the voting papers addressed to the scrutinisers appointed (under rule 4) in sealed envelopes not later than by 4 P M. of the day preceding the date of election.

4. The Committee of the Chamber shall appoint one or more scrutinisers for the scrutiny of voting papers at least 10 clear days before the date fixed for the election. The scrutiniser or scrutinisers so appointed shall scrutinise the voting papers on the date fixed for election and shall declare the result forthwith after scrutiny is completed.

5. The candidate or candidates not exceeding the number to be elected securing the largest number of votes shall be declared duly elected.

6. In the event of an equality of votes preventing the due election of any of the candidate or candidates, the members shall vote afresh in the manner indicated above in respect of the candidates having an equal number of votes.

7. If the number of candidate or candidates for election shall be the same as the number of vacancies, the candidate or candidates shall be declared to be duly elected by the Committee of the Chamber.

8. Th names of the person or persons declared elected under Rule 5 or 7 above shall be communicated by the Secretary to the proper authority as early as practicable after the election.

LIST OF MEMBERS OF THE INDIAN CHAMBER OF COMMERCE, CALCUTTA.

(Arranged Alphabetically).

As on 1st July, 1940.

A

Abdoolabhoy Lalljee & Co.,
98, Canning Street,
Calcutta.

Abdool Razak Hajee Abdool Sattar,
32, Ezra Street,
Calcutta.

Abdul Rahim Oosman & Co., (India), Ltd.,
2, Rajmohan Street,
Calcutta.

Adam Oosman,
8, Bolai Dutt Street,
Calcutta.

Adamjee Jute Mills, Ltd.
Stephen House,
Dalhousie Square,
Calcutta.

Adamjee Hajee Dawood & Co., Ltd.,
Stephen House,
4, Dalhousie Square,
Calcutta.

A. H. Ghuznavi & Co.,
19, Strand Road,
Calcutta.

A. H. P. Essack,
1, Amratolla Lane,
Calcutta.

Alembic Chemical Works Co., Ltd.,
1, Stephen House,
5, Dalhousie Square,
Calcutta.

All India Tea & Trading Co., Ltd.,
P.O. Sylhet,
Assam.

Aluminium Corporation of India, Ltd.,
9, Lindsay Street,
Calcutta.

Amritlal Ojha & Co., Ltd.,
102-A, Clive Street,
Calcutta

Anandji Haridas & Co., Ltd.,
Meerbohur Ghat Street,
Lohapatty,
Calcutta.

Anandram Gajadhar,
1, Noormull Lohia Lane,
Calcutta.

Anantrai Talakchand & Co.,
72, Canning Street,
Calcutta.

Asian Assurance Co., Ltd.,
8, Dalhousie Square,
Calcutta.

Associated Cement Companies, Ltd.,
Victoria House,
Chowringhee,
Calcutta.

A. V. Thomas & Co., Ltd.,
C/o. Messrs. United Trading Corporation,
100, Clive Street,
Calcutta.

B

Babulal & Co., Ltd.,
13, Syed Salley Lane,
Calcutta.

Baldeo Singh,
Proprietor, Indian Steel & Wire Products,
E.I.Ry. Works, P.O.
(Tatanagar).

Bank of Baroda,
11, Clive Street,
Calcutta.

Bank of India, Ltd.,
9, Clive Street,
Calcutta.

Bangasri Cotton Mills, Ltd.,
4, Clive Ghat Street,
Calcutta.

Bangodaya Cotton Mills, Ltd.,
7, Council House Street,
Calcutta.

Batliboi & Purohit,
100, Clive Street,
Calcutta.

Basanti Cotton Mills, Ltd.,
14, Clive Street,
Calcutta.

Behar Firebricks & Potteries, Ltd.,
P.12, Mission Row Extension,
Calcutta.

The Bengal Bus Syndicate, Ltd.,
1-C, Chowringhee,
Calcutta.

Bengal Chemical & Pharmaceutical Works, Ltd.,
94, Chittaranjan Avenue,
Calcutta.

Bengal Investment Co., Ltd.,
8, Royal Exchange Place,
Calcutta.

Bengal Nagpur Railway Co., Ltd., (The Agent),
Kidderpore House,
Kidderpore,
Calcutta.

Bengal Potteries, Ltd.,
45, Tangra Road,
Calcutta.

Bengal Waterproof Works, Ltd.,
Mohesh Banerjee Road,
Panihati, 24 Parganas.

Bharat Insurance Co., Ltd.,
Bharat Bhavan,
3, Chittaranjan Avenue,
Calcutta.

Bharat Sugar Mills, Ltd.,
8, Royal Exchange Place,
Calcutta.

Birla Bros., Ltd.,
8, Royal Exchange Place,
Calcutta.

Birla Jute Manufacturing Co., Ltd.,
8, Royal Exchange Place,
Calcutta.

Birla Cotton Spinning & Weaving Mills, Ltd.,
8, Royal Exchange Place,
Calcutta

Bissesarlal Co.,
4, Jagmohan Mullick Lane,
Calcutta.

B. M. Kharwar,
Bangur Building,
161/1, Harrison Road,
Calcutta.

British India General Insurance Co., Ltd.
Norton Building,
1 & 2, Old Court House Corner,
Calcutta.

Budridas Fulchand,
78, Clive Street,
Calcutta.

Bhugat Singh Bugga & Co.,
22, Canning Street,
Calcutta.

Byron & Co.,
52, Chowringhee Road,
Calcutta.

C

Calcutta Chemical Co., Ltd.,
Panditia Road,
Ballygunge,
Calcutta.

The Calcutta Fast Colour Dye Works,
24, Tantipara Lane,
Salkia, Howrah.

Calcutta Jute Manufacturing Co., Ltd.,
4, Lyons Range,
Calcutta

Calcutta Tanneries, Ltd.,
Bharat Bhavan,
3, Chittaranjan Avenue,
Calcutta

Carlsbad Mineral Water Mfg Co. Ltd.,
14, Watkins Road,
Howrah

C. A. Mohamed,
15, Synagogue Street,
Calcutta

The Central Bank of India Ltd.,
100, Clive Street,
Calcutta

Chimanlal Desai & Co.,
54, Bentinck Street,
Calcutta.

Chimanlal Vadilal & Co.,
38, Armenian Street,
Calcutta

Concord of India Insurance Co. Ltd.,
8, Clive Row,
Calcutta

D

Dalchand Bahadur Singh,
48, Gariahat Road,
Calcutta

Dass & Co,
22, Canning Street,
Calcutta.

Dass Bros.,
30, Strand Road,
Calcutta.

Daulatram Rawatmull,
178, Harrison Road,
Calcutta.

Debi Prasad Khaitan,
8, Royal Exchange Place,
Calcutta.

Devdutta Saraogi & Sons,
1/1, Pollock Street,
Calcutta.

Digvijayasinhji Salt Works, Ltd.,
Jamnagar, (Kathiawar).

Dinshaw & Sorabji,
Sealdah Station,
Calcutta.

Diwan Haji Pirmohamed Musa,
4, Amratolla Street,
Calcutta.

Dossani Film Corporation,
60, Bentinck Street,
Calcutta.

E

East Indian Railway (The Agent),
105, Clive Street,
Calcutta.

Eastern Bengal Railway,
(The Agent),
3, Koila Ghat Street,
Calcutta.

The Eastern Federal Union Insurance Co, Ltd.,
9, Clive Street,
Calcutta

F

F. Mohanlal & Co.,
135, Canning Street,
Calcutta.

Film Corporation of India, Ltd.,
20, Baburam Ghosh Road,
Tollygunge, Calcutta.
Office—1, Motisil Street, Calcutta.

G

Gagalbhai Jute Mills, Ltd.,
11, Clive Street,
Calcutta.

Gajanand Rampratap & Co.,
6-A, Halsibagan Road,
Calcutta.

Gangjee Sajun & Co.,
11, Clive Street,
Calcutta.

Garage (Calcutta), Ltd.,
10, Central Avenue,
Calcutta.

G. Basu & Co.,
4, Hastings Street,
Calcutta.

G. D. Daga & Co.,
8, Canning Street,
Calcutta.

G. D. Loyalka & Co.,
8, Lyons Range,
Calcutta

Gilooram Gaurishankar,
29, Banstolla Street,
Calcutta.

Girdharlal Laxminarayan,
12, Noormull Lohia Lane,
Calcutta.

Godrej & Boyce Mfg. Co., Ltd.,
102, Clive Street,
Calcutta.

Goenka & Company,
Goenka Lodge,
Kurseong,
(Darjeeling).

Gopalpur Tea Co., Ltd.,
Gopalpur House,
Jalpaiguri.

Gopi Krishna Kanoria,
71, Burtolla Street,
Calcutta.

Gopiram Gobindram,
Tapuriah House,
42/1, Strand Road,
Calcutta

Gunvantrai T. Kamdar,
33-B, Ezra Street,
Calcutta.

Gurmukhrai Radhakrishna,
161/1, Harrison Road,
Calcutta.

H

Hajee Habib Hajee Pirmohamed,
25, Amratolla Street,
Calcutta.

Hajeebhoy Aden Salt Works, Ltd.,
12, Dalhousie Square,
Calcutta

Haji Jamal Noormohamed,
21, Amratolla Lane,
Calcutta.

Hanuman Prasad Bagaria,
8, Lyons Range,
Calcutta.

Harivallabhdas Kalidas,
5, Lucas Lane,
Calcutta.

Hassam Premjee,
29/1, Armenian Street,
Calcutta.

Himalaya Assurance Co., Ltd.,
Central Avenue, (South),
Calcutta

Himatsingka Timber, Ltd.,
6, Old Post Office Street,
Calcutta.

The Hindu (Madras),
Grosvenor House,
21, Old Court House
Street,
Calcutta

The Hooghly Bank, Ltd.,
43, Dharamtolla Street,
Calcutta.

Hoosen Kasam Dada,
26, Amratolla Street,
Calcutta.

Howrah Flour Mills, Ltd.,
Howrah.

Howrah Trading Co , Ltd.,
8/A, Beniatola Lane,
Harrison Road,
Calcutta.

H. P. Khandelwal & Co.,
6, Old Post Office Street,
Calcutta.

Hukumchand Electric Steel Co.,
Ltd.,
42, Sibtolla Street,
Calcutta.

Hukumchand Insurance Co., Ltd.,
30, Clive Street,
Calcutta.

Hukumchand Jute Mills, Ltd.,
4, Clive Ghat Street,
Calcutta.

Hurisingh Nehalchand,
48, Gariahat Road,
Ballygunge,
Calcutta.

I

India Electric Works, Ltd.,
25, South Road,
Entally P.O ,
Calcutta.

Indian Globe Insurance Co., Ltd.,
135, Canning Street,
Calcutta

Indian Hume Pipe Co., Ltd.,
Natore Park,
Ballygunge,
P.O. Tiljala,
Calcutta

Indian National Airways, Ltd.,
Victoria House,
Chowringhee,
Calcutta

Indian Shipping Co., Ltd.,
8, Royal Exchange Place,
Calcutta

Indian Stores & Agency Co , Ltd.,
3, Chittaranjan Avenue,
Calcutta

Indra Singh,
Proprietor, Indian Steel &
Wire Products,
E.I.Railway Works, P.O.
(Tatanagar).

Industrial and Prudential Assurance Co., Ltd.,
12, Dalhousie Square,
Calcutta.

J

Jagannath Jhunjhunwala,
7, Lyons Range,
Calcutta.

Jankidas Ramgopal,
48, Canning Street,
Calcutta.

Jankidas Subhkaran,
29/1, Armenian Street,
Calcutta.

Jay Engineering Works, Ltd.,
183/A, Prince Anwar Shah Road,
P.O. Dhakuria.

Jethabhai Khatau & Co.,
13, Narain Babu Lane,
Calcutta.

Jharakhand Colliery Co.,
48, Gariahat Road,
Ballygunge,
Calcutta.

Jitanram Nirmalram,
26, Burtolla Street,
Calcutta.

Jiyajeerao Cotton Mills, Ltd ,
8, Royal Exchange Place,
Calcutta.

Jiwandas Chunilal & Co.,
218, Cross Street,
Calcutta.

Jiwandas Khimjee,
165, Lower Chitpore Road,
Calcutta

Juggilal Kamlapat,
Cawnpore, U.P.

Jupiter General Insurance Co.,
Ltd..
15, Clive Street,
Calcutta.

Jute & Gunny Brokers, Ltd.,
8, Royal Exchange Place,
Calcutta.

Jute Investment Co., Ltd.,
8, Royal Exchange Place,
Calcutta.

K

Kalyanji Mavji & Co.,
Industry Colliery,
Jharia (Manbhum).

Kalyanpur Lime & Cement Works,
Ltd.,
2, Clive Row,
Calcutta.

Kamla Mills, Ltd.,
42/1, Strand Road,
145, Muktaram Babu
Street,
Calcutta.

Kaniram Hazarimull,
2, Doyahatta Street,
Calcutta.

Kanoria & Co., Ltd.,
8, Royal Exchange Place,
Calcutta

K. P. V. Shaikh Mohamed Rowther,
109, Angappa Naick Street,
Madras

Karamchand Thapar & Bros., Ltd.,
5, Royal Exchange Place,
Calcutta.

Kassim & Ismael,
Marble House,
Garstin Place,
Calcutta.

The Kathiawar Ghee Merchants Association.
C/o Dr. H. A. Pallana,
14, Roopchand Roy Street,
Calcutta

Kedarnath Khandelwal & Co.,
25, Swallow Lane,
Calcutta.

Keshvaji & Co.,
48, Ezra Street,
Calcutta

Kesoram Cotton Mills, Ltd.,
8, Royal Exchange Place,
Calcutta.

Khas Jharia Colliery Co., (1933) Ltd.,
Jharia, P.O. (Manbhum).

Kila Chand Devchand & Co., Ltd.,
2, Royal Exchange Place,
Calcutta.

Kishenlall Nandlall,
35, Stephen House,
5, Dalhousie Square,
Calcutta.

Kumararajah Muthiah Chettiar of Chettinad, B.A., M.L.A.,
Natana Vilas,
Vepery, Madras.

L

Lakshmi Insurance Co., Ltd.,
7, Esplanade East,
Calcutta.

Ladhasingh Bedi & Sons,
Clive Buildings,
8, Clive Street,
Calcutta.

The Little Aden Salt Industrial Co.,
Steamer Point,
Aden (Arabia).

M

Madhavjee Mepa,
Kosonda & Nayadee Collieries,
P.O. Kusunda (Manbhum).

Mafatlal Gagalbhai,
11, Clive Street,
Calcutta.

Mahaliram Ramjeedas,
21, Rupchand Roy Street,
Calcutta.

Maneklal & Co.,
7, Lyons Range,
Calcutta.

Matadin Khaitan,
9/1, Ramkumar Rakhit Lane,
Calcutta.

Mathuraprasad Mohanlal,
26, Burtolla Street,
Calcutta.

Mohini Mills, Ltd.,
Kushtia Bazar P.O.,
Nadia.

Moolji Girdhardas & Co.,
5, Noormull Lohia Lane,
Calcutta

Motilal Radhakissan,
67/28, Strand Road,
Calcutta

Mugneeram Bangur & Co.,
7, Lyons Range,
Calcutta.

Murarka & Sons, Ltd.,
Stephen House,
4-E, Dalhousie Square,
2nd Floor,
Rooms Nos. 28/29,
Calcutta.

N

Nandlal Pashari,
155/B, Muktaram Babu St.,
Calcutta.

Narbheram & Co.,
Jamshedpur,
Via. Tatanagar.

Naresh Nath Mukherjee,
6, Clive Row, Calcutta

Narottam, Ltd.,
100, Clive Street, Calcutta.

The National Cement Mines and Industries, Ltd.,
10, Clive Row, Calcutta.

National Fire & General Insurance Co., Ltd.,
7, Council House Street, Calcutta.

National Insurance Co., Ltd.,
7, Council House Street, Calcutta.

The New Asiatic Life Insurance Co., Ltd.,
8, Royal Exchange Place Calcutta.

New India Assurance Co., Ltd.,
9, Clive Street, Calcutta.

New India Sugar Mills, Ltd.,
8, Royal Exchange Place, Calcutta.

N. H. Ojha & Co., Ltd.,
37, Canning Street, Calcutta

Noor Mohamed Elias,
"Wardley House",
25, Swallow Lane, Calcutta.

O

Oriental Government Security Life Assurance Co., Ltd.,
2/3, Clive Row, Calcutta.

The Oriental Mercantile Co., Ltd.,
28, Strand Road, Calcutta.

Orient Paper Mills, Ltd.,
8, Royal Exchange Place, Calcutta.

P

P. G. Abraham,
8, Lyons Range, Calcutta.

Pioneer Match Factory,
74, Cross Street, Calcutta.

P. N. Mehta & Co.,
208, Cross Street, Calcutta

Pragdas Girdhardas,
43, Strand Road, Calcutta.

Pragdas Mathuradas,
43, Strand Road, Calcutta.

Pranjivan Jaitha & Co.,
48, Ezra Street, Calcutta.

Punjab National Bank Ltd ,
135/36, Canning Street, Calcutta.

Purshottam Mathradas & Co , Ltd.,
33/B, Ezra Street, Calcutta.

Purshottam J. Pathak,
C/o. Messrs. Jeewanlal (1929), Ltd.,
101, Clive Street, Calcutta.

Purshottam Ramji,
12, Raja Woodmunt Street, Calcutta.

R

Ramdutt Ramkissendass,
4, Clive Ghat Street, Calcutta.

Radhakissen Santhalia,
65, Pathuriaghata Street, Calcutta.

Rai Budh Singh Bahadur,
74/1, Clive Street, Calcutta.

R. K Bhuwalka & Co.,
8, Royal Exchange Place, Calcutta.

R. K. Modi,
23, Canning Street, Calcutta.

Ramkumar Kejriwal & Co.,
7, Lyons Range, Calcutta.

Ramdev Chokhani,
7, Lyons Range, Calcutta.

Ramdhandas Jhajharia,
138, Harrison Road, Calcutta.

Ramprosad Murlidhar & Co.,
14, Clive Street, Calcutta.

Ramsahaimull More,
7-G, Clive Row, Calcutta.

Rao Bahadur D. D. Thacker,
Post Box No. 159, Jharia.

Rohtas Industries, Ltd.,
P. O. Dalmianagar,
Shahabad.

Ruby General Insurance Co., Ltd.,
8, Royal Exchange Place,
Calcutta.

Ruttonjee Bomanjee & Co.,
24, Strand Road, Calcutta.

Ruttonjee Jeewandas,
22, Amratolla Street,
Calcutta.

S

Sadhuram Tularam,
122, Old Ghusery Road,
Ghusery, Howrah.

S. B. Dandekar & Co.,
18, Parsee Church Street,
Calcutta.

Scindia Steam Navigation Co.,
Ltd.,
100, Clive Street, Calcutta.

S. Dey & Bros.,
18, Maharshi Debendra Road,
(Darmahatta Street),
Calcutta.

S. D. Mehta & Co., Ltd.,
Jharia (Manbhum).

S. D. Sethia & Co.,
Clive Buildings, Calcutta.

Sen & Pandit,
Mercantile Buildings,
Lall Bazar Street, Calcutta.

Seth Tarachand Ghanshyamdas,
Wallace House,
4, Bankshall Street,
Calcutta

Sheoprasad Gopalsahai,
9/1, Ramkumar Rakhit Lane,
Calcutta.

Shewkissendas Daga,
Marble House,
10, Kalikrishna Tagore
Street, Calcutta.

Shree Hanuman Jute Mills, Ltd.,
61, Harrison Road,
Calcutta.

Sindhi Merchants' Association,
7/1C, Lindsay Street,
Calcutta.

S. K. Chakravarti, Ltd.,
1/B, Mission Row, Calcutta.

S. K. Gupta,
55, Canal East Road,
Beliaghata, Calcutta.

Soorajmull Mohta & Co.,
8, Royal Exchange Place,
Calcutta.

Soorajmull Nagarmull,
61, Harrison Road,
Calcutta.

S. R. Batliboi & Co.,
1/B, Old Post Office Street,
Calcutta.

The Standard Pharmaceutical
Works, Ltd.,
67, South Road, Calcutta.

Star Printing Works,
30, Shibnarain Das Lane,
Calcutta.

Sunderdas Thackersey & Bros.,
37, Armenian Street,
Calcutta.

Sudhansu Sekhar Dutta, Esq.,
Loan Co. Buildings, Khulna.

Surajmal Sagarmal,
9, Jagamohan Mullick Lane,
Calcutta.

Sutlej Cotton Mills, Ltd.,
8, Royal Exchange Place,
Calcutta.

T

Tata Chemicals Ltd.,
Mercantile Buildings,
10, Lall Bazar, Calcutta.

Tata Iron & Steel Co., Ltd.,
Agent's Office,
102A, Clive Street, Calcutta.

Tata Sons, Ltd.,
Bombay House, Pruce, St.,
Fort, Bombay.

Tatanagar Foundry Co.,
Tatanagar, (B. N. R.).

Thakorlal Hiralal & Co.,
9, Dalhousie Sq., Calcutta.

Toolsidas Jewraj,
15, Clive Row, Calcutta.

U

United Oil Co. (India), Ltd.,
14, Grand Foreshore Road,
Ramkristopore, Howrah.

Universal Fire & General Insurance Co., Ltd.,
135, Canning Street,
Calcutta.

Upper Ganges Sugar Mills, Ltd.,
8, Royal Exchange Place,
Calcutta.

V

Vasanji Topan Madhowji & Co.,
5/1, Portuguese Church St.,
Calcutta.

Vulcan Insurance Co., Ltd.,
135, Canning Street,
Calcutta.

W

Western India Oil Distributing Co., Ltd.,
P-12, Mission Row Extension,
Mission Court, Calcutta.

CLASSIFIED LIST OF MEMBERS OF THE INDIAN CHAMBER OF COMMERCE, CALCUTTA

1939-40.

Railways.

(1) East Indian Railway, (2) Eastern Bengal Railway, (3) Bengal Nagpur Railway.

Banks and Bankers.

(1) Central Bank of India Ltd , (2) Bank of India Ltd.; (3) Punjab National Bank Ltd , (4) The Bank of Baroda; (5) Hooghly Bank Ltd ; (6) Rai Budh Singh Bahadur; (7) Jitanram Nirmalram; (8) Motilal Radhakissen, (9) Mugneeram Bangur & Co., (10) Gopiram Gobindram; (11) Gopi Krishna Kanoria, (12) Shewkissendas Daga, (13) Kishenlall Nandlall, (14) Goenka & Company.

Insurance Companies.

(1) Oriental Government Security Life Assurance Co , Ltd.; (2) New India Assurance Co., Ltd., (3) National Insurance Co , Ltd.; (4) Jupiter General Insurance Co , Ltd ; (5) Vulcan Insurance Co , Ltd., (6) Universal Fire & General Insurance Co., Ltd.; (7) Himalaya Assurance Co , Ltd.; (8) British India General Insurance Co , Ltd , (9) Hukumchand Insurance Co., Ltd., (10) Lakshmi Insurance Co , Ltd.; (11) Industrial & Prudential Insurance Co., Ltd , (12) Indian Globe Insurance Co., Ltd ; (13) Asian Assurance Co., Ltd ; (14) Eastern Federal Union Insurance Co , Ltd.; (15) Concord of India Insurance Co , Ltd , (16) Bharat Insurance Co., Ltd.; (17) Ruby General Insurance Co., Ltd.; (18) Rai Budh Singh Bahadur; (19) Abdoolabhoy Lalljee & Co ; (20) Soorajmull Nagarmull, (21) F. Mohanlal & Co.; (22) The New Asiatic Life Insurance Co., Ltd.

Cotton Mills & Hosiery Manufacturers.

(1) Kesoram Cotton Mills, Ltd ; (2) Mohini Mills, Ltd.; (3) Jiyajeerao Cotton Mills, Ltd.; (4) Birla Cotton Spg. & Wvg. Mills; (5) Bangodaya Cotton Mills Ltd.; (6) Harivallabha Das Kalidas, Managing Agents, Ambica Mills, Ltd., Ahmedabad; (7) Tata Sons, Ltd , Bombay, Managing Agents, Empress Cotton Mills Ltd., Nagpur; (8) Juggilal Kamlapat, Managing Agents, Juggilal Kamlapat Spg & Wvg. Mills, Cawnpore; (9) Basanti Cotton Mills Ltd.; (10) Sadhuram Tularam; (11) Kamla Mills, Ltd.; (12) Sutlej Cotton Mills Ltd.; (13) The Bangasri Cotton Mills Ltd.; (14) A. H. Ghuznavi & Co.

Jute Mills.

(1) Birla Jute Manufacturing Co , Ltd ; (2) Hukumchand Jute Mills Ltd , (3) Gagalbhai Jute Mills Ltd ; (4) Adamjee Jute Mills Ltd.; (5) Shree Hanuman Jute Mills Ltd ; (6) Juggilal Kamlapat.

Metal Manufacturers and Founder Engineers.

(1) Tata Iron & Steel Co , Ltd ; (2) Godrej & Boyce Manufacturing Co ; (3) Hukumchand Electric Steel Co , Ltd ; (4) Indra Singh, Proprietor, Indian Steel & Wire Products; (5) Baldeo Singh, (6) Tatanagar Foundry Co ; (7) Purshottam J Pathak, (8) Jay Engineering Works, Ltd.

Metal Merchants.

(1) Pragdas Mathuradas; (2) Pragdas Girdhardas; (3) Aluminium Corp of India Ltd ; (4) A H Ghuznavi & Co

Hardware Merchants and Manufacturers.

(1) Anandji Haridas & Co., Ltd , (2) Das Bros ; (3) Sen & Pandit; (4) S Dey & Bros ; (5) Purshottam Ramji.

Accounts and Auditors.

(1) S R Batliboi & Co , (2) Batliboi & Purohit; (3) S. B Dandekar & Co., (4) H P Khandelwal & Co , (5) G. Basu & Co.

Produce Merchants.

(1) Gangjee Sajun & Co ; (2) Daulatram Rawatmull; (3) Hoosen Kassem Dada; (4) Jeewandas Khimjee, (5) Hajee Habib Hajee Pirmohamed, (6) A. H P. Essack; (7) Gilooram Gaurishanker; (8) Murarka & Sons Ltd ; (9) Sen & Pandit, (10) A H Ghuznavi & Co.

Match Manufacturers.

(1) C. A Mohamed; (2) Adamjee Hajee Dawood & Co., Ltd.; (3) Abdoolabhoy Lalljee & Co ; (4) Pioneer Match Factory.

Potteries and Pipe Manufacturers.

(1) Bengal Potteries Ltd ; (2) Behar Firebricks & Potteries Ltd.; (3) Indian Hume Pipe Co , Ltd.

Hides and Skin Merchants.

(1) Sen & Pandit.

Salt Trade and Manufacturers.

(1) Kassim & Ismael; (2) Hoosen Kassam Dada; (3) Hajeebhoy Aden Salt Works Ltd.; (4) Abdoolabhoy Lalljee & Co ; (5) Tata Chemicals Ltd.; (6) Gunvantrai T. Kamdar; (7) Little Aden Salt Works, Ltd.; (8) Digvijayasinhji Salt Works, Ltd.

Coal Mining and Trade.

(1) Amritlal Ojha & Co , Ltd ; (2) Rao Bahadur D D. Thacker; (3) Karamchand Thapar & Bros Ltd ; (4) Dalchand Bahadur Singh; (5) Khas Jharia Colliery & Co. (1933) Ltd.; (6) Madhavji Mepa; (7) Maneklal & Co ; (8) N H Ojha & Co., Ltd ; (9) S. D. Mehta & Co , Ltd ; (10) Bhugat Singh Bugga & Co.; (11) Jhagrakhand Colliery Co ; (12) Kalyanji Mavji & Co.

Mica Mining.

(1) Babulal & Co., Ltd.; (2) Sen & Pandit; (3) A H. Ghuznavi & Co.

Jute and Gunny Merchants.

(1) Soorajmull Nagarmull; (2) Adamjee Hajee Dawood & Co , Ltd; (3) R K. Modi; (4) Hanuman Prosad Bagaria; (5) Ramsahaimull More; (6) Kanoria & Co.; (7) Hurisingh Nehalchand; (8) Karamchand Thapar & Bros , Ltd.; (9) G D Loyalka & Co.; (10) Birla Bros., Ltd.; (11) Ramprasad Murlidhar, (12) Jute Investment Co , Ltd.; (13) Abdoolabhoy Lalljee & Co , (14) Daulatram Rawatmull; (15) Ramdutt Ramkissendas; (16) A H. Ghuznavi & Co.

Jute Baling.

(1) Hurisingh Nehalchand; (2) Soorajmull Nagarmull; (3) R. K. Modi; (4) Daulatram Rawatmull, (5) Calcutta Jute Mfg. Co.; (6) Ramdutt Ramkissendas.

Ginning and Pressing Factories.

(1) Juggilal Kamlapat.

Cotton, Piecegoods and Yarn Merchants.

(1) Birla Bros., Ltd ; (2) Chimanlal Vadilal & Co ; (3) Moolji Jaitha & Co.; (4) Anandram Gajadhar; (5) Nandlal Pashari; (6) Tarachand Ghanshyamdas; (7) Sunderdas Thackersay & Bros.; (8) Vasanji Topan Madavji & Co ; (9) Moolji Girdhardas; (10) B M. Kharwar; (11) Daulatram Rawatmull; (12) R. K. Bhuwalka; (13) Girdharilal Laxminarayan; (14) Keshavji & Co.; (15) The Calcutta Fast Colour Dye Works; (16) P. N. Mehta & Co.; (17) Jiwandas Chunilal & Co.; (18) Gopiram Gobindram, (19) Haji Jamal Noormohamed; (20) Kila Chand Devchand & Co., Ltd.

Rice Mills and Trade.

(1) Gangjee Sajun & Co.; (2) Abdoolabhoy Lalljee & Co.; (3) Keshavji & Co.; (4) Haji Jamal Noormohamed.

Flour Mills and Trade.

(1) Howrah Flour Mills Ltd.; (2) Kassim & Ismael.

Oil Mills and Trade.

(1) Hoosen Kassam Dada, (2) Western India Oil Distributing Co., Ltd ; (3) Juggilal Kamlapat; (4) United Oil Co (India), Ltd , (5) Haji Jamal Noormohamed.

Paper Mills.

(1) Rohtas Industries Ltd.; (2) Orient Paper Mills Ltd.

Journals.

(1) The Hindu (Madras); (2) Sen & Pandit.

Cinema Industry.

(1) Dossani Film Corporation; (2) Film Corporation of India, Ltd.

Pharmaceutical Works.

(1) Bengal Chemical & Pharmaceutical Works, Ltd.; (2) Alembic Chemical Works Co , Ltd.; (3) Daulatram Rawatmull, (4) Tata Chemicals Ltd.; (5) Standard Pharmaceutical Works Ltd , (6) Calcutta Chemical Co , Ltd

Share and Stock, Jute and Gunny and Exchange Brokers.

(1) G D Loyalka & Co ; (2) Ramkumar Kejriwal; (3) Kedarnath Khandelwal & Co ; (4) Hanuman Prasad Bagaria; (5) Jute and Gunny Brokers, Ltd , (6) P. G. Abraham; (7) Ramdev Chokhany; (8) Sooraj-mull Mohta & Co ; (9) Mugneeram Bangur & Co

Shipping Companies.

(1) Scindia Steam Navigation Co , Ltd ; (2) Indian Shipping Co., Ltd., (3) R. K. Modi.

Building Engineers.

S. K Gupta.

Stevedore and Transport Agencies.

(1) Garage (Calcutta), Ltd.; (2) Ruttonjee Bomanjee & Co ; (3) K. P. V Shaik Mohamed Rowther; (4) Narottam Ltd ; (5) Bengal Bus Syndicate; (6) G. D. Daga & Co ; (7) Sudhansu Sekhar Dutta.

Air Transport.

Indian National Airways Ltd.

Kirana Merchants.

(1) Jankidas Subhkaran; (2) Jankidas Ramgopal; (3) A H. P. Essack; (4) Ruttonjee Jeevandas.

Timber Merchants.

(1) Himatsingka Timber, Ltd ; (2) Motilal Radhakissan.

Tea.

(1) All-India Tea & Trading Co , Ltd ; (2) Gopalpur Tea Co., Ltd.; (3) Abdoolabhoy Lalljee & Co ; (4) Keshavji & Co ; (5) Gangjee Sajun & Co ; (6) A. V. Thomas & Co , Ltd

Jewellers and Diamond Merchants.

(1) Thakorlal Hiralal & Co , (2) A H Ghuznavi & Co.

Printing Presses.

Star Printing Works.

Paint, Varnish and Road Surface.

(1) Murarka & Sons, Ltd ; (2) Alembic Chemical Works Co., Ltd.

Oil Distributors.

(1) Western India Oil Distributing Co., Ltd ; (2) Murarka & Sons, Ltd.; (3) Juggilal Kamlapat; (4) G D. Daga & Co , (5) United Oil Co (India), Ltd.

Soap and Toilet Manufacturers.

(1) Alembic Chemical Works Co., Ltd.; (2) Daulatram Rawatmull; (3) Bengal Chemical & Pharmaceutical Works, Ltd , (4) Calcutta Chemical Co., Ltd.

Sugar Mills.

(1) Bharat Sugar Mills Ltd ; (2) Juggilal Kamlapat; (3) Daulatram Rawatmull; (4) Upper Ganges Sugar Mills Ltd ; (5) Murarka & Sons Ltd.; (6) Anandram Gajadhar; (7) Soorajmull Nagarmull; (8) Rohtas Industries Ltd.; (9) New India Sugar Mills Ltd.

Sugar Trade.

(1) Anandram Gajadhar; (2) Soorajmull Nagarmull; (3) Gurmukhrai Radhakrishna; (4) Sheo Prasad Gopalsahai; (5) Matadin Khaitan.

Mill-Stores Suppliers.

Das & Co.

Lime Manufacturers.

(1) The Associated Cement Companies, Ltd ; (2) National Cement Mines and Industries, Ltd ; (3) Kalyanpur Lime & Cement Works, Ltd.

Cement Manufacturers.

(1) Rohtas Industries Ltd , (2) Associated Cement Companies Ltd.

Ghee Merchants.

(1) Kathiawar Ghee Merchants Association, (2) Matadin Khaitan

Ice and Aerated Water Manufacturers.

(1) Carlsbad Mineral Water Manufacturing Co.; (2) Juggilal Kamlapat; (3) Byron & Co

Tanneries.

Calcutta Tanneries Ltd

Electricals.

(1) Devadutt Saraogi & Son, (2) The India Electric Works, Ltd.; (3) Anandram Gajadhar; (4) Bengal Potteries Ltd ; (5) Howrah Trading Co , Ltd ; (6) Sudhansu Sekhar Dutta

Tin & Canister Manufacturers.

Gajananda Rampratap

Waterproof & Rubber Dealers.

(1) Bengal Waterproof Works Ltd , (2) A V Thomas & Co., Ltd.

General Merchants.

(1) Birla Bros , Ltd , (2) Sir Sarupchand Hukumchand & Co ; (3) Amritlal Ojha & Co , Ltd , (4) Gangjee Sajun & Co , (5) Tarachand Ghanshyamdas; (6) Hurisingh Nehalchand; (7) R K Modi; (8) Mafatlal Gagalbhai; (9) Messrs S. K. Chakravarti, Ltd ; (10) Juggilal Kamlapat; (11) Purushottam Mathuradas & Co , Ltd , (12) Thakorlal Hiralal & Co., (13) S K Gupta; (14) Mahalıram Ramjeedas, (15) Ladha Singh Bedi & Sons; (16) Hassam Premjee; (17) Indian Stores & Agency Co.; (18) Narbheram & Co ; (19) Radhakissen Santhalia; (20) Ramkumar Kejriwal; (21) Sen & Pandit, (22) M A. Muthia Chettiar, (23) Pragdas Mathurdas, (24) Dinshaw & Sorabjee, (25) Calcutta Jute Manufacturing Co., Ltd ; (26) Budridas Fulchand; (27) Das & Co ; (28) Gurmukhrai Radhakrishna; (29) Pranjivan Jaitha; (30) Daulatram Rawatmull; (31) Hajee Habib Hajee Pirmohamed; (32) Naresh Nath Mukherjee; (33) Carlsbad Mineral Water Manufacturing Co., Ltd.; (34) R. K. Bhuwalka; (35) Jagannath Jhunjhunwala; (36) Sindhi Merchants Association; (37) Anandram Gajadhar; (38) Debi Prasad Khaitan, (39) Sadhuram Tularam; (40) B. M Kharwar; (41) Shree Hanuman Jute Mills, (42) G. D Daga & Co ; (43) Girdharilal Lakshminarayan; (44) Howrah Trading Co., Ltd.; (45) Jitanram Nirmalram;

(46) Ramdutt Ramkissendas, (47) Matadin Khaitan; (48) Anantrai Talakchand & Co., (49) F Mohanlal & Co., (50) S D Sethia & Co ; (51) Bissesarlal & Co , (52) Abdul Rahim Oosman & Co. (India), Ltd ; (53) Oriental Mercantile & Co , Ltd ; (54) Little Aden Salt Industrial Co., (55) Digvijasinghji Salt Works, Ltd ; (56) Noor Mohamed Elias; (57) Chimanlal Desai, (58) Diwan Haji Pirmohamed Musa, 59) Shewkisendas Daga; (60) Toolsidas Jewraj, (61) Kaniram Hazarimull, (62) Kishenlall Nandlall, (63) A V Thomas & Co , Ltd ; (64) Goenka & Company; (65) Surajmal Sagarmal.

List of Bodies affiliated to the Indian Chamber of Commerce, Calcutta, 1940.

1 Indian Sugar Mills Association,
102-A, Clive Street, Calcutta

2 Jute Balers Association,
5, Royal Exchange Place, Calcutta.

3 Indian Produce Association,
402, Upper Chitpore Road, Calcutta

4. East India Jute Association,
2, Royal Exchange Place, Calcuta

5 Calcutta Rice Merchants Association,
29/1, Armenian Street, Calcutta.

6. Calcutta Kirana Association,
28, Amratolla Street, Calcutta.

7. Gunny Trades Association,
14, Clive Street, Calcutta.

8. Indian Tea Merchants' Association,
12, Portuguese Church Street, Calcutta

9 The Marwari Rice Mills Association,
1/2, Chetla Road, Tollygunj, Calcutta.

10. Sindhi Merchants Association,
7/1C, Lindsay Street, Calcutta.

11. Indian Colliery Owners Association,
Jharia (Manbhum).

12. Indian Coal Merchants Association,
Jharia (Manbhum).

13. Indian Insurance Companies Association,
102-A, Clive Street, Calcutta.

14 Shareholders' Association,
102-A, Clive Street, Calcutta.

15. Indian Chemical Manufacturers Association,
102-A, Clive Street, Calcutta.

16. Indian Paper Mills Association,
102-A, Clive Street, Calcutta

17. Calcutta Tube Importers Association,
16 Raja Woodmunt Street, Calcutta.

Presidents of the Indian Chamber of Commerce, Calcutta.

Mr. G D Birla—1925-26

Mr G D Birla—1927

Mr D P Khaitan—1928 (Upto April 1928)

Mr Faizulla Gangjee—1928 (From April 1928)

Mr Faizulla Gangjee—1929

Mr D P. Khaitan—1930

Mr S K Bhatter—1931

Mr. S K Bhatter—1932.

Mr A. L Ojha—1933

Mr A. L Ojha—1934

Mr. Kanai Lal Jatia—1935

Mr. B M. Birla—1936.

Mr Mohanlal Lalluchand Shah—1937.

Sir A. R Dalal, Kt —1938.

Mr G L. Mehta—1939

Mr. N L. Puri—1940.

Secretaries

K M. Purkayastha—(1925-26)

M. P. Gandhi—(1926-1936)

S. R. Dhadda—(1936—).

Representatives on Various Public Bodies.

Representative of the Chamber in the Bengal Legislative Assembly.

Mr D P Khaitan.

Representative of the Chamber on the Calcutta Port Commissioners.

Mr Faizulla Gangjee.

Representative of the Chamber on the Indian Central Jute Committee.

Mr K. P. Goenka

Representative of the Chamber on the Bengal Nagpur Railway Advisory Committee.

Mr. K. L Jatia.

Representative of the Chamber on the East Indian Railway Advisory Committee

Mr M L. Shah.

Representative of the Chamber on the Eastern Bengal Railway Advisory Committee.

Mr. J. Chakravarty.

Representatives of the Chamber on the Commercial Panel of the Railway Rates Advisory Committee.

1 Mr. G L Mehta
2 Mr A L Ojha
3 Mr D. P. Khaitan.
4 Mr. Faizulla Gangjee.
5. Mr M L. Shah.

Representative of the Chamber on the Board of Apprenticeship Training.

Mr. M G Bhagat.

Representative of the Chamber on the Board of Economic Enquiry, Bengal

Mr. A. L. Ojha.

Representative of the Chamber on the Traffic Advisory Board.

Mr K. N. Khandelwal

Representative of the Chamber on the Government Commercial Institute Board

Mr. N. L. Puri.

Representative of the Chamber on the Visiting Committee of the Medical College Group of Hospitals

Dr. H. Ghosh.

Representative of the Chamber on the Visiting Committee of the Campbell Group of Hospitals.

Mr. D. Khaitan.

Representative of the Chamber on the Board of Scientific Research for Bengal.

Mr. A. L Ojha.

Representative of the Chamber on the Provincial Advisory Board on Indian Forest Utilisation for Bengal.

Mr. P. D. Himatsingka.

Representative of the Chamber on the Bengal Smoke Nuisance Commission.

Mr. M. G. Bhagat.

Representative of the Chamber on the Committee of Management of Government Weaving Institute, Serampore.

Mr. B. D. Bhatter.

Representative of the Chamber on the Advisory Board of the Combined Commercial Museum and Health Publicity Section of the Calcutta Corporation

Mr. Kassim A. Mohamad.

Representatives of the Chamber who attended the Informal Quarterly Meetings between the Railways and Chambers of Commerce at Calcutta

20th—Mr. G. L Mehta.

21st—Mr R L. Nopany

22nd—Mr M. G. Bhagat.

23rd—Mr. R. L. Nopany.

Committee of the Chamber for the year 1940.

President.

Mr N. L. Puri.

Senior Vice-President

Mr R. L Nopany

Vice-President.

Mr Durga Prasad Khaitan

Ordinary Members.

Mr G L. Mehta
Mr L N Birla
Mr. D P Khaitan.
Mr. D C Driver
Mr K L. Jatia
Mr M L Shah
Lala Karamchand Thapar.
Mr. A L. Ojha.
Mr K M. Naik
Mr. Faizulla Gangjee
Mr. Kassim A. Mohamed.
Mr K D. Jalan.
Mr Pranjivan Jaitha
Mr. K P Goenka.
Mr A. Duncan
Mr. M. G Bhagat.
Shaikh Esabhai Abdul Kader.
Mr. Mangtooram Jaipuria

Mr. S. R Dhadda (Secretary).

Proceedings of the 14th Annual General Meeting of the Indian Chamber of Commerce, Calcutta, held on Tuesday, the 27th February, 1940 at 4-30 p m

The 14th Annual General Meeting of the Chamber was held on Tuesday, the 27th February, 1940 at 4-30 P M at the Office of the Chamber to transact the following business —

1 To receive and adopt the report of the Committee and the Statement of Audited Accounts of the Chamber for the year 1939

2. To elect the President, Vice-Presidents and Ordinary Members of the Committee for the year 1940

3 To confirm the election of Members of the Chamber provisionally elected by the Committee under Article 9 of the Articles of Association.

4 To appoint Auditors for the year 1940

PRESENT:

MR G. L. MEHTA (IN THE CHAIR).

Names.		Representatives of :
Mr. K A Rahim	. .	Messrs. Associated Cement Companies, Ltd
,, Maneklal Benani	..	,, Pioneer Match Factory.
,, G. Basu	...	,, G. Basu & Co.
,, Pranjivan Jaitha	...	Mr Pranjivan Jaitha.
,, Faizulla Gangjee	.	Messrs Gangjee Sajun & Co.
,, Hassan F. Gangjee	. .	
,, B. M Garg.	...	,, National Cement Co.
,, M. L Shah	...	,, Chimanlal Vadilal & Co.
,, Fulshanker Dave	...	,, F. Mohanlal & Co.
,, M. A Aziz Ansari	. .	,, Eastern Federal Union Insurance Co., Ltd.
Sir Badridas Goenka	...	,, Ramdutt Ramkissendas.
Mr. K. P. Goenka	...	,, Hukumchand Jute Mills.
,, D. P. Goenka	...	,, Kamla Mills Limited.

Rai Bahadur Ram Dev Chokhany Mr Sri Krishna Chokhany	...	Messrs	R D Chokhany & Co.
,, R S Patack	...	,,	Godrej & Boyce Mfg. Co., Ltd.
,, Babulal Rajagharia	.	,,	Babulal & Co., Ltd
Dr. H. Ghosh	...	,,	Standard Pharmaceutical Works.
Mr R. K. Jaidka	..	,,	Bengal Bus Syndicate
,, Madanlal H. Vakil	...	,,	Tata Chemicals Limited.
,, K M. Naik	...	,,	National Insurance Co., Ltd.
,, N. L. Puri	...	,,	Central Bank of India.
		,,	Scindia Steam Navigation Co
,, G L. Mehta	. .	,,	Indian Hume Pipe Co., Ltd.
,, A S Tyabjee	...		
		,,	Narottam, Ltd.
,, M. D. Khaitan	...	,,	Matadin Khaitan.
		,,	Birla Brothers, Ltd.
		,,	Birla Jute Mfg. Co., Ltd
		,,	Jiyajeerao Cotton Mills, Ltd.
		,,	Kesoram Cotton Mills, Ltd.
		,,	Birla Cotton Spg & Wvg. Mills, Ltd.
		,,	Jute & Gunny Brokers, Ltd.
,, B M Birla	...		
,, L. N. Birla	.	,,	Ruby Insurance Co., Ltd.
,, D. P. Khaitan	...	,,	Soorajmull Mohta.
,, H. N. Kalani	...	,,	The Indian Shipping Co., Ltd.
,, J. M. Jalan	...		
,, M. L. Khatri	...	,,	Bharat Sugar Mills, Ltd.
		,,	Upper Ganges Sugar Mills, Ltd.
		,,	Jute Investment Co., Ltd.
		,,	Orient Paper Mills, Ltd.
		,,	Bengal Investment Co , Ltd.
		,,	New Swadeshi Sugar Mills, Ltd.
,, Kassim A. Mohamed	...	,,	Kassim & Ismail.

Seth Essabhai Abdulkader	...	Messrs C A. Mohamed & Co.
Mr. M. R Jaipuria	...	,, Anandram Gajadhar.
The Hon. Mr. Abdul Razak H. A. Sattar		The Hon. Abdul Razak H A Suttar
Mr. D. C. Driver	...	Messrs Tata Iron & Steel Co., Ltd ,, Tata Sons Limited
,, D Khaitan	...	,, Bharat Insurance Co , Ltd
,, K. P. Garua	...	,, Ruttonjee Bomanjee & Co
,, M. G. Bhagat	...	,, Bengal Potteries Limited.
,, K. L. Jatia	...	,, Mahaliram Ramjeedas
,, M. S Tapuriah	...	,, Gopiram Govindram
,, H P. Khandelwal	...	,, H. P. Khandelwal & Co.
,, K. D. Jalan	...	,, Soorajmull Nagarmull
,, Ghanshyam Das	..	President, Indian Produce Association.
,, Shivalaik Ojha	...	Secretary, Indian Produce Association.

By Invitation.

Mr Manu Subedar, M.L.A.		(Central).
,, J. V. Joshi	...	Director-General, Commercial Intelligence and Statistics.
,, M. L. Shroff	...	Benares Hindu University.
,, C. S. Rangaswami	...	Indian Finance.
Dr N. N. Law	...	President, Bengal National Chamber of Commerce.
Mr. Mukundlal Chiripal	...	Marwari Association.

The Secretary having read the notice convening the meeting, Mr. G L. Mehta in moving the adoption of the Report of the Committee and the audited statement of the accounts of the Chamber for the year 1939 delivered the following Presidential address.*

Mr D P. Khaitan while seconding the Resolution moved by the President made some remarks about the currency position of the Government of India. Mr. Khaitan stated that it would be advisable if the Government of India bought gold instead of sterling securities The Report and the accounts were thereafter adopted unanimously.

Sir Badridas Goenka then moved the following Resolution:—

"That the following persons be declared duly elected as members of the Committee of the Chamber for the year 1940 in accordance with the provisions of Articles of the Association of the Chamber and bye-laws made thereunder".

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*Printed on page xliv.

President.

Mr. N. L. Puri.

Senior Vice-President.

Mr. R. L Nopany.

Vice-President.

Mr. Durga Prasad Khaitan.

Ordinary Members of the Committee.		*Representing the interests of*
Mr. G. L Mehta	...	"Transport"
,, A. L Ojha	...	"Coal"
,, M L Shah		"Cotton & Cotton Manufactures".
,, K M Naik	.	"Insurance".
,, K L Jatia	.	"Produce".
Lala Karamchand Thapar	. .	"Salt and Chemicals"
Mr L. N. Birla	...	"Jute & Jute Manufactures"
,, K. P. Goenka	...	"Finance".
,, Faizulla Ganjee.		"Rice".
,, D. C. Driver	...	"Hardware & Engineering"
,, D. P Khaitan	..	"Without reference to any specific interest".
Shaikh Esabhai Abdul Kader	...	
Mr. M. G. Bhagat	...	
,, Pranjivan Jaitha	. .	

The Resolution was seconded by Mr. M. A. A. Ansari, and it was passed unanimously.

Mr. D. Khaitan then moved the following Resolution:—

"That the provisional election of the following members made by the Committee of the Chamber under provisions of Article 9 of the Articles of Association be confirmed".

1. Messrs. Digvijaysinhji Salt Works, Ltd., Jamnagar (Kathiawar).
2. Messrs. The Little Aden Salt Industrial Co., Steamer Point, Aden (Arabia).
3. Messrs. Bisesarlal & Co., 4, Jagmohan Mullick Lane, Calcutta.
4. Messrs. Abdul Rahim Oosman & Co. (India), Ltd., 2, Rajmohan Street, Calcutta.

5 Messrs Mathuraprasad Mohanlal,
26, Burtolla Street, Calcutta.
6. The Bank of Baroda Limited,
11, Clive Street, Calcutta.
7. Messrs Gajanand Rampratap & Co ,
6-A, Halsibagan Road, Calcutta.
8 Messrs Tata Chemicals Limited,
Mercantile Buildings,
10, Lall Bazar, Calcutta
9. The Standard Pharmaceutical Works Limited,
67, South Road, Calcutta.
10 Messrs. Haji Jamal Noormohamed,
21, Amratolla Lane, Calcutta
11. Messrs. G Basu & Co ,
4. Hastings Street, Calcutta
12. Messrs Chimanlal Desai & Co ,
54, Bentinck Street, Calcutta
13 Messrs Gopi Krishna Kanoria,
71, Burtolla Street, Calcutta
14 Messrs. Gopiram Gobindram,
42/1, Strand Road, Calcutta.

Mr K. M. Naik seconded the Resolution and it was passed unanimously.

Messrs S. B. Dandekar & Co were appointed as honorary auditors of the Chamber for the year 1940 by a Resolution moved by Mr Faizulla Gangjee and supported by Dr H. Ghosh

Mr N L Puri, the incoming President then moved a vote of thanks to Mr. G. L. Mehta, the Retiring President and in doing so made the following remarks.*

The vote of thanks to the Chair was carried with acclamation

At the request of Mr G. L Mehta, Mr. Manu Subedar then made a brief speech. He stated that he was obliged for the invitation extended to him to be present at the Annual General Meeting of the Chamber. He referred to the remarks made by Mr D. P. Khaitan about the currency position and stated that when every country was preserving its gold resources, unfortunately India had allowed a large portion of her gold to be drained away. Mr Subedar also referred to the economic and financial subordination of India He also mentioned the question of wagon shortage experienced for the carriage of goods.

The meeting then terminated.

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*Printed on page lvi.

Presidential Address delivered by Mr. G. L. Mehta, President, Indian Chamber of Commerce, Calcutta, at the Fourteenth Annual General Meeting of the Chamber held on Tuesday, the 27th February, 1940.

GENTLEMEN,

The period for which you were good enough to elect me as President has now come to a close and before I lay down the reins of this office I must give expression to my sincere feelings of gratitude for the high honour you did me. Fortunately for us, a change of Presidentship is not a stormy event as in many other bodies nor does the alteration in office-bearers affect the continuity of policy. Owing to the spirit of co-operation and the zeal and earnestness with which the members of the Committee devote themselves to their work and contribute their best to the deliberations and working of the Chamber, it functions as an institution in which personal efforts are blended into an impersonal achievement. The Presidential office now goes to Mr. Puri, a sober Banker of wide experience and I am sure you will all agree with me that the interests of the Chamber could not be in safer hands. I tender my hearty congratulations to him on behalf of all of us for the honour done to him.

It is six months since the War between Britain and France and Germany broke out and the New Year has opened with wars in three different spheres—the war on the Western Front, the war between Finland and Russia and the third between Japan and China in the Far East. Until now, they have not culminated in one general world war India, placed as she is, is more directly affected by the War in which Britain is involved. Unfortunately, the outbreak of the War has been accompanied in our country by a constitutional deadlock of serious magnitude which still remains unresolved. The conversations which commenced in a hopeful atmosphere in Delhi early this month between His Excellency the Viceroy and the leaders of Indian opinion have not yet yielded any definite results. In a situation which is already difficult and complex, it is advisable to speak with restraint. Nevertheless, it is obvious that the present statement and drift are not in national interest and must be speedily terminated. The fact that alternative Ministries have not and cannot be formed in seven out of the eleven Provinces, where the Congress Ministries resigned office, shows the strength of public support behind their demand which needs the earnest consideration of the British Government. The present period of uncertainty is conducive to instability and cannot secure fruitful co-operation between the various interests and particularly between India and Britain. If the burdens and obligations of a component

unit of the British Commonwealth are imposed on India, India is surely entitled to demand and insist that the rights and powers enjoyed by the other Dominions should be vested in her The promise of Dominion Status which at best is somewhat vague should at least be dated. No responsible person denies the need for a transitional arrangement in respect, for example, of defence but this transitional process should be speedy and automatic In the ultimate analysis, the demand for self-government is the demand for the right to control our own destiny and mould our own policy, social, economic and fiscal primarily in the interests of the people of the country. The Indian commercial community, irrespective of differences in political outlook, has learnt by experience that no economic development or advancement is possible unless the Central Government is responsible to the people whose representatives should be able to control the fiscal, currency, credit and transport policy of the country It must be emphasised that in all these vital matters, the protection and promotion of Indian interests must be the primary consideration There is, no doubt, room for understanding and adjustment but none for the subordination of Indian to non-Indian interests The Indian commercial community can never reconcile itself to the commercial safeguards in the new Constitution which are stringent and comprehensive and have no parallel in any constitution of the world, including the British Dominions The inequitable and detrimental character of these unprecedented provisions need not be dwelt upon at length here but it must be emphasised that those who are anxious for an amicable solution of the Indo-British problem have to address themselves to this important question and should realise that the future Indian legislature must have the unrestricted right and power to devise and adopt a national economic policy in Indian interests. The Indian demand for a declaration of War aims should be met by an undertaking to render disinterested British relations with the dependent portion of the British Commonwealth and to abolish any vestige of British economic domination or monopoly through a recognition of the equality of India's political status and economic rights.

We have to realise the economic consequences and repercussions of the War and consider how far the country's economy has been adjusted to a war-time basis. Half a year of war conditions has given us sufficient data to be able to appraise this and it is now our task to direct the current forces along proper channels. With the experience of the last war, it was generally assumed that the present one would provide a starting point for fresh lines of economic endeavour and planning. But the position is not exactly the same today as twentyfive years ago either in regard to conditions of warfare and supplies or in respect

of India's Industrial development. Although the War did have a bracing effect in some respects on Indian economy, it is now clear that the optimism which prevailed in September last was rather premature as the recent tendency of prices indicates. There has been an increase in the value of India's export trade in recent months but the volume of export of several important commodities has tended to decline. On the other hand, the import trade has not yet been able to overcome the difficulties created by loss of supplies, lack of shipping space and higher costs of insurance The result has been a distinct rise in the balance of trade in India's favour which is also reflected in the appreciable expansion in currency that has taken place during the last six months amounting to about Rs. 71 Crores. But these developments are not all helpful as industries have to face fresh difficulties along with new opportunities. Above all it is essential to recognise that the current trends cannot continue on the same scale or in the same degree and that any planning of industrial development must, while making the fullest possible use of the present conditions for accelerating economic progress, make allowance and provision for the probable effects of post-war slump War profits which are admittedly artificial and even transient are different from a real increase in economic productivity, whether agricultural or industrial. In any event, there is need for careful evaluation of the actual effects of some of the prevailing tendencies on the economic conditions of the people.

We may first consider the position of India's foreign trade. September and October, the first two months of the War, constituted a period of adjustments to war conditions and India's foreign trade suffered a setback in those months The subsequent months of November and December, however, showed a definite recovery in exports and imports and marked a transitional phase to a war economy. There has been an inevitable change in the direction of exports while imports have suffered from vicissitudes. The drying-up of European sources of supply was made good by increased imports from Japan, U. S. A and other neutrals while exports of India's raw materials were kept at their present level owing to the larger off-take by the Empire countries operating under the stress of war needs The process of readjustment is continuing although it is a different question how far the new developments as regards export trade are likely to continue during the War or survive it. Taking the four months together our total visible balance of trade stands at Rs. 32.86 Crores as against Rs. 13.20 Crores for the same period last year. The trade returns for January also underlined these trends.

It is interesting to note in this context that the War has led to the diversion of foreign trade to the British Empire countries. The Empire

countries' offtake of India's raw materials and manufactures has increased and it would, therefore, be very desirable for the Government to send India's Trade Commissioners to those countries to study first-hand the conditions obtaining there so as to assist the expansion of India's exports. It is essential to stabilise and improve India's exports to neighbouring markets by trade agreements or other forms of commercial understanding with East Africa, Iran, Afghanistan and Federated Malaya States. Burma and Ceylon, no doubt, stand on a different footing partly because of India's long and intimate relationship with them and partly because the question of commercial relationship has in their case been interlinked with that of the rights of Indian nationals and the treatment accorded to them in those countries. The Government of India have been rightly firm in their attitude with Ceylon and they are also justified in not disturbing the *status quo* in our trade relations with Burma, especially under the present abnormal circumstances. The possibility of having commercial agreements with some of the Dominions should also be investigated while there should be no delay in having a Treaty of Commerce and Navigation with the U S. A. with which country there is an improvement in the volume of trade. The Indo-Japanese trade negotiations are still proceeding and it is to be hoped that they would be satisfactorily concluded at an early date. Although the present tendencies are obviously due to the stress of War, it cannot be denied that the relationships now prevailing or developing can be maintained and improved, at least to some extent, even after the War, provided there is a systematic "drive" to improve India's export trade. Indeed, the post-war slump in trade can to some extent be mitigated in this manner. No doubt, the very nature of India's export trade makes it imperative that she should have a market wider than the restricted market of the Empire but it is necessary to keep a close watch on the changes in the direction and character of our foreign trade so as to stabilise as much of the quantum of trade recently acquired as is possible.

The export trade of India has, on the outbreak of the War, been affected by governmental restrictions on the exports on the one hand and the lack of adequate shipping facilities on the other. Commercial firms have been experiencing various difficulties and obstacles in obtaining export licences. No doubt, in a state of emergency, there are necessarily some impediments to normal activities but it is essential that in devising and executing these regulations there should be continuous and full consultation of commercial opinion. Unfortunately, this has not been the case and at no stage has Indian commercial opinion been consulted by the Central authorities. In the appointment of "liaison" officers as controllers or advisers between trade and industry

on the one hand and the Government on the other, Indian commercial interests have also been almost completely ignored. The priority list for exports has been construed in a manner which is hardly satisfactory. But in the absence of any machinery for commercial interests to represent their view-point before the formulation of these regulations, these restrictions have had to be accepted without demur. Similarly, commercial interests have not also been represented at the two conferences convened by the Commerce Member in Delhi to consider the general principles and policy of price control nor are their full proceedings made available to the public. It will be appreciated that the commercial interests and the public are keenly interested in the deliberations as well as the conclusions of such conferences and that they are entitled to demand adequate consultation and publicity as an essential procedure of such meetings.

The lack of shipping facilities has been due to the diversion of British shipping for the carriage of essential supplies, troops and munitions and the requisitioning and control of British tonnage. In the absence of national shipping participating in India's foreign maritime trade, while shippers have had to pay higher freight rates or are unable to ship cargo owing to lack of shipping space, the benefit of the inflated shipping freights have been derived by non-Indian shipping and particularly neutral shipping which is not controlled There has been a large and growing demand for several of India's commodities; but the difficulty of transportation today prevents India obtaining the full benefits of this increase in demand or of the rise in prices in world markets We have had to depend at considerable cost on the shipping of neutral countries or on British shipping depleted through war exigencies. It is true that the figures for shipping tonnage published by the Government hitherto show little variation from the normal. But the tonnage carrying supplies for war purposes which obtains preference is necessarily included in these figures so that it is the shipments of cargoes on Government account like sandbags and tea which inflate the total exports. During these last six months the shipping space available for ordinary merchandise and private trade has consequently been seriously reduced. On the other hand, with adequate shipping facilities the export trade could have been much prompter and larger. The absence of a positive shipping policy on the part of the Government of India has in this emergency created a situation in which both Britain and India have had to rely on outside shipping for the carriage of her external trade.

The importance of transport in modern warfare is hardly less fundamental than that of supplies and both are, in fact, complementary. Particularly this is true of shipping whose importance has been vividly

brought home to us by the War which is principally carried on at sea and for the command of the sea. Indeed, the importance of maritime trade in the world is such today that both the wars in the West have been occasioned by the desire to possess ports—Danzig in the German-Polish conflict and the ports of Hango and Petsamo in the Russo-Finnish dispute. Both because of the geographical spread of the British Empire and the dependence of the belligerents on uninterrupted flow of ocean commerce. The present War has become a matter of carriage of cargoes in which blockade is employed by both sides in different forms. Every day brings us news of the sinking of the ships, British and neutral, and during the last six months of the War over 5,00,000 tons of British shipping and over 3,50,000 tons of neutral shipping have been lost. The mercantile marine of Britain has on the outbreak of the war assumed the status and responsibility of a "Navy of Supply" and has for all practical purposes been chartered by the nation. Both shipping and shipbuilding are being controlled in the United Kingdom in order to make merchant shipping subserve the national needs and function as a feeder of the nation and as a supplement to the Navy. Shipbuilding is being speeded up not only in the United Kingdom but also in the Dominions like Australia and Canada where an energetic programme of ship-construction has been formulated and is being pursued In fact, although Britain's own shipping capacity is appreciably smaller than twenty-five years ago, it is the merchant fleet of the Dominions which makes the aggregate tonnage actually larger. But in any event, the rate of shipping losses is incalculable and war conditions make for an apprecible reduction in the actual carrying capacity owing to diversion of shipping from its normal routes, requisitioning of tonnage for transport of essentials and troops and munitions and the introduction of the convoy system which necessarily involves delay. A system of priorities and rationing in the United Kingdom have been introduced for these reasons and all efforts are being made to see that replacements overtake the actual shipping losses. So far as India is concerned, there has undoubtedly been a serious paucity of shipping space and disorganisation of the tonnage market which has, according to the budget speech of the Hon'ble Finance Minister of Bengal, adversely affected even the Bengal Government's receipts from jute duty. Moreover, with the steady sinking of merchant vessels, the requisitioning and control by the Government of all shipping on the United Kingdom register and the increasing strain on transport which more active hostilities are likely to impose, the effect on India's maritime needs is a serious factor to be considered. The volume of coastal shipping has already been reduced and several vessels have been requisitioned. If the Government of India had followed a more enlightened policy in regard to the development of Indian

shipping during peace time not only could such shipping have been useful in the carriage of India's foreign maritime trade but it could also have enabled more British vessels to be relieved for war purposes and could have served to defend the coast of India But it is singularly unfortunate that even under the stress of a war, our Government are unable to take a wider and far-sighted view of the problem of development of Indian shipping It is true that the Indian waters are till now free from the menace of raiders or submarines, but there is no guarantee that these conditions will indefinitely continue, particularly with two important neutral countries to the East and West still undecided in their attitude Indian-owned shipping comprises about 1,20,000 tons, which bears no relation to the large volume of India's foreign and coastal trade India has also no shipbuilding industry which can be useful in the present state of emergency not only for building small vessels, many of which are requisitioned, but also to assist the construction of naval ships There is a dearth of trained Indian officers and engineers of the Indian mercantile marine which could serve as a training ground and a reserve for a national Navy All these gaps and lacunae could be made good if the Government are inspired by a national purpose and possess a national outlook. The Imperial Shipping Committee drew attention to this fundamental weakness in the structure of Commonwealth shipping and urged the need of recognising the aspirations of Indian shipping in a co-operative spirit. After all, unlike other countries which compete with Britain, the trade of the British Commonwealth emanates and terminates in different units while the shipping which carries it is mainly based on the United Kingdom India, at any rate, is completely excluded from any participation in its overseas trade and has a meagre proportion even in its own home waters. Unless, therefore, a comprehensive policy for Commonwealth shipping is evolved so as to include its component units, it is not possible for India at any rate to feel any interest or participate in any common maritime programme There are excellent potentialities for the development of a shipbuilding industry, for example, in Calcutta, given adequate state support and encouragement. Indian shipping should also be given its legitimate share in trade agreements concluded by Government and in which the bargaining power is based on the markets or exports of India. During the War, there is necessarily some control exercised by Government over shipping and when the Government thus directly undertake the responsibility of determining the tonnage or regulating the maritime trade or fixing the quotas, their primary responsibility, which they have frequently acknowledged, for developing an Indian mercantile marine should be translated into practice by giving weightage to Indian concerns and

assisting their participation, growth and development as much as possible. In brief, we have to build up and maintain a merchant marine for both our foreign and domestic trade, adequate for our national security and for our economic self-sufficiency.

The War that is being fought is, with the exception of the strenuous conflict on the sea and occasional raids in air, a war on the economic front. Britain has constituted a Ministry of Economic Warfare and some of the Dominions are being developed as a second line of economic defence Although we hear frequently of India's war efforts, they are in the economic sphere merely an effort to secure war supplies for the Government and not a planned attempt to mobilise and increase national economic resources. The War has served as a stimulant for the expansion of our productive activity and industries will have to be established and expanded in order to meet the needs of national defence as well as to fill the gaps in our industrial structure which, although always unfortunately present, are now shown by the partial cessation of imports to be dangerous to wider national interests Nevertheless, after six months of war, there has not been evolved any comprehensive plan for utilising the industrial opportunities provided by the War for national benefit. Except for the expansion of the industries supplying war materials, there has been little attempt to formulate and devise any scheme for industrial development or reconstruction We do not witness any of the signs that precede an industrial revival in India and whatever interest was created in regard to new industrial ventures has been scotched by the premature and unjustified imposition of the Excess Profits Tax I need not dwell at length on the question of this tax because it has been fully considered by all the Indian commercial bodies and other interests including our Chamber and because the matter is now in the hands of the Select Committee of the Central Assembly. The Excess Profits method is open to objection on the ground that it deprives the producer of the normal motive for pursuing economical methods of production The spirit of enterprise is liable to be checked because the enterprise that succeeds is not permitted to yield a good return. Before the country is called upon to bear any additional burden due to the War, it has every right not only to be consulted about the purpose for which the expenditure is incurred but also to know precisely the extent of liability and additional expenditure which it would be called upon to bear in prosecuting the War. During the last War, for example, large sums of money which should in equity have been borne by the United Kingdom were arbitrarily debited to India's account and this time already the expenditure of the Central bureaucracy is rapidly rising without any effective check or control being available to the public to prevent waste. Moreover, it is essential

to see that the profits taxed are strictly abnormal in the sense of being really due to War conditions and the method does not deprive the industry of such profits as it is entitled to in order to recoup its previous losses and consolidate its position by building up reserves after the period of depression. The analogy of the United Kingdom is fallacious particularly when we recall not only the war preparations in England during recent years which benefitted British industry but also the radically different attitude and policy of the State towards industry in Britain and India There is a tendency on the part of the Central authorities nowadays to copy British legislation in matters involving financial burdens irrespective of the essential divergence in the economic and industrial conditions of the two countries. But when measures for protection or encouragement of industries are under consideration, there is no such inclination to follow the British model and it is pleaded that what is good for England is not necessarily good for India. Besides, owing to the inevitable rise in prices during war, profits are bound to rise in terms of money although in terms of commodities they may not rise correspondingly or at all There is a widespread feeling that new industrial development would be seriously hampered owing to this measure At this late stage, I do not propose to go into the detailed aspects of the measure but let us hope that the Select Committee even now will endeavour to see that it is rendered as innocuous as possible from the view-point of the economic and industrial development of the country. The commercial community has now to put up with increased burden of freight charges on the railways despite a surplus budget and may soon have to bear further taxation in the coming Central budget. It is all the more essential, therefore, that the expansion of productive activity should not be prevented through fear of contraction of legitimate earnings.

While the invitation extended to commercial and industrial interests for participation in the Industries Conference was a step in the right direction, the practical action which has been taken in building up the country's economic front has been negligible. After all, we have had to face two wars within one generation and it would be nothing short of suicidal if the lesson of India's unpreparedness to face the strain and disorganisation involved in a modern war is once again ignored. Although the Commerce Member stated at the Industries Conference at Mysore that the commercial community would get an early indication of the kind of industries which in the Government's opinion could be safely developed during the War and also of the kind of assistance that the Government would be able to extend to the new industries, the public has so far not been appraised of the Government's decision or policy in this matter. The uncertainties of fiscal and

financial policies have been responsible to no small extent for the reluctance shown by industrial enterprise to take advantage of the present opportunities If the War has created opportunities in the shape of increased demand, higher prices and lesser competition, it has also given rise to certain difficulties and any new industries to be established now will almost certainly be faced before long with the vicious spiral of rising costs and wages and what is more important the difficulties of post-war adjustments. For though industry may expand during war time under the pressure of increased foreign demand or a widening of the internal demand through cessation of imports, it would be confronted with the post-war conditions which are likely to be in the nature of a slump and the only manner of preparing for such a contingency is to preserve a certain degree of elasticity in production and take measures for stabilisation of the new demand It is obvious that the new industries will have to depend almost entirely on the changes in the Government's policy if they are to remain unimpared after the War. The problems which face existing industries are no doubt somewhat different, but in either case, if there is no assurance of a helpful fiscal policy in the future, large scale industrialisation is bound to be an exceedingly slow process Our fiscal policy has never till now been a very positive or vigorous one and, in fact, in vital matters our economic interests have been subordinated to and even sacrificed for the maintenance of British economic interests I hope, I shall not be considered guilty of exaggeration if I describe Government's policy of "discriminating protection" as being too closely circumscribed by revenue considerations and from the view-point of the industrialist and the nationalist, at any rate, the industrial factor in their policy has been less than the administrative There is, indeed, no denying that our import tariffs have been the outcome of make shifts and concessions to public agitation and demand rather than co-ordinated or integrated plan Since the last Fiscal Commission reported nearly twenty years ago, the problem has not been reviewed and but for the War we had hoped that the whole question of having a new fiscal policy in consonance with India's present needs and demands with a permanent Tariff Board would be speedily and thoroughly investigated with a view to evolve a more active and constructive fiscal policy. In any event, the policy of "discriminating protection" needs to be reviewed and made more vigorous Such criteria as, for example, the period of protection the supply of raw materials, the ability of the industry to dispense with protection and the whole machinery of the Tariff Board demand re-examination. Above all, the establishment of non-Indian concerns behind the tariff wall and their keen competition with Indian enterprises is undermining the whole object of protection and needs the earnest

attention of the authorities We do not want importation of foreign industries in place of importation of foreign goods.

The war period which is recognised to be full of potentialities for Indian economy may not prove so if the public and the Government do not approach current problems in a broad spirit of laying the foundations of future economic progress In the policy of price control, for example, such a danger is latent It is seriously open to question whether the State should come between the primary producer and the returns he could obtain on account of the War in a free regime when, in fact, little was done to assist him during the period of depression The producer in India cannot, in fairness, be compelled to refrain from taking advantage of better prices merely on the ground that the materials so exported are taken owing to the exigencies of the War. At any rate, so far as I am aware, none of the Dominions which have joined the War after full and free discussion in their Parliament have been actuated by these considerations or have been asked to sacrifice their agricultural interests and it would be unfair to demand of the Indian exporter to do so. Price control can, in essence, be conditioned only by internal economic factors The one legitimate object of price control in India is the protection of the masses from unjustified rise in the cost of living To contend that Government can regulate prices of commodities of which it is itself the consumer, is to create the possibility of the Indian producer being sacrificed for the interests of foreign countries

The co-ordination of labour conditions and labour legislation between different parts of the country has long been felt to be essential The recent conference of representatives of the Central and Provincial Governments and the Indian States convened by the Government of India was a move in the right direction although it was unfortunate that the first conference of its kind met when the Congress Ministries in seven Provinces were not in office. Absence of co-ordination in labour conditions leads to several difficulties such as, for example, the shifting of industry from one area to another or the development of industries in areas which may not be otherwise suitable to such development but which attract some entrepreneur merely because of unequal labour legislation. The Royal Commission on Labour which reported almost ten years ago, was aware of the possibility of this lopsided development and envisaged the formation of an All-India Industrial Council consisting of representatives of Central and Provincial Governments as well as employers and workers. The formation of such a Council was, in the opinion of the Commission, "the only feasible way under the system of provincial legislation of conserving that unity of purpose and method

which is vital to progress" The magnitude of the problem requires the establishment of a permanent organisation particularly in view of the new Constitution It should be emphasised, however, that co-ordination does not necessarily mean uniformity as the basic factors and conditions might be different, but a conference of the kind convened is a useful meeting ground for exchange of views and ideas and formulation of broad lines of policy I have already dealt in one of my previous speeches with the question of relationship between capital and labour and I need hardly add anything more here There is no doubt that the workers are entitled to relief either in the shape of cheap grainshops or special allowance to offset the rise in prices due to war but it would be unreasonable to demand that such enhancement should be granted irrespective of the basic conditions of each industry Industry has, after all, to pay out of its earnings and it would be unfortunate if industrial relations are wantonly disturbed at present so as to mar the prospects of an industrial revival owing to War It will do good to capital and labour alike to recognise that they are partners in a common enterprise in whose fruits both should participate

I am glad that during the year under review we have been able to hold joint meetings and have joint deliberations with the other important Indian commercial bodies of this City In regard to the question of price control and the Excess Profits Tax Bill, for instance, we were able to evolve a joint policy after exchange of views. I must, on behalf of our Chamber, express my sense of thankfulness for the ready response which always met our request for a joint meeting and for the spirit of co-operation and comradeship shown by the other Indian Chambers I trust that in future this procedure of joint deliberations on common problems will become more frequent and that we shall be able to evolve a common policy for commercial and industrial interests, irrespective of sectarian differences The Indian commercial bodies have a specific contribution to make to current problems because of their informed opinion born out of practical experience.

During the course of the year, we have moved to more commodious and better premises The Chamber has grown in stature, influence as well as membership. During the year under review we have had 27 new members. The increasing activities of the Chamber rendered necessary this change of premises and I have no doubt you will agree that the change has been for the better.

Now, Gentlemen, before concluding let me once again express my sincere feelings of gratitude not only for the great honour done to me in having elected me as the President of the Chamber but also for the continuous support and co-operation extended to me by the Committee.

I cannot say how deeply I have appreciated this confidence and how valuable it has been to me in doing whatever little service I might have been able to render to the Chamber I cannot conclude without referring to our able Secretary, who along with the rest of the staff has silently and efficiently borne the heavy and increasing burden of work of this Chamber.

I thank you, Gentlemen

Speech delivered by Mr N. L. Puri, the incoming President, while moving a vote of thanks to Mr. G L. Mehta, the retiring President, at the Fourteenth Annual General Meeting of the Chamber on the 27th February, 1940.

GENTLEMEN,

It is with great pleasure that I propose a very hearty vote of thanks to Mr. G L. Mehta, the retiring President for the most valuable services rendered by him to the Chamber.

He has been connected with the Chamber ever since he arrived in Calcutta 12 years ago as a prominent member of the Committee and also as Vice-President. He has also represented us on the Port Trust and other important bodies for several years where he rendered yeoman services to the cause of commerce and trade in a most efficient manner.

The pre-eminent position and the representative character attained by your Chamber and its growing popularity and importance are in no small measure the result of Mr Mehta's devoted and selfless work put in by him during all these years as also of his illustrious predecessors in this office He displayed great powers of initiative and there was not a subject, however small, which did not receive his careful and critical attention The Report of the Indian Chamber for the last year will fully demonstrate the vast diversity of subjects dealt with by your Committee during the last year under his able stewardship

The Chamber is really thankful to the Scindia Steam Navigation Co., Ltd., for having enabled Mr. Mehta to use his wide knowledge, resourcefulness and great capacity for work in the best interests of the mercantile community. Endowed with a very sweet temperament, Mr. Mehta always enlivens the proceedings of the Committee Meetings with his usual repartees and a fund of wit and humour on which he could so easily draw. Young in age Mr. Mehta's method and manner of work extracts admiration from all concerned. He is himself fully

confident and enjoys the complete confidence of his colleagues. He displayed great knack to negotiate difficult problems and to come to right conclusions on controversial subjects where interests clashed so often as they naturally do. Those of us who were associated with him in his work fully know and appreciate that he had made the Chamber's work as his own and devoted a good deal of time and thought to it lately even at the sacrifice of his health.

The Chamber has grown from strength to strength during his regime. The membership has considerably increased. The number of affiliated bodies has gone up and the representative character of the Chamber is evidenced by the larger number of our members representing the Chamber on various Government and other bodies. The Chamber has recently moved to the present new and larger premises consistent with the dignity and prestige of the Chamber with a view to be of much greater use to our members and affiliated bodies. For this, our thanks are mainly due to the farsightedness and initiative of Mr. B. M. Birla and also to Mr. Mehta. (The House of Birlas has always been in the forefront whenever any help is needed and it is due to the generous contributions made by them as also other members of the Chamber that it was possible to effect this great improvement).

We are sure Mr. Mehta will continue to take even greater interest in the affairs of the Chamber in the future years. May God grant him a long life of good health and usefulness to serve the country and the public.

I also take this opportunity of offering our best thanks to the members of the Committee who are devoting so much of their valuable time to the work of the Chamber at great sacrifice. The work of the Committee has increased considerably of late with the increasing importance and popularity attained by your Chamber. It was only with the help and co-operation of all the members of the Committee that prompt action and substantial results could be achieved. It is a matter of great personal satisfaction to me that most of them are on the new Committee to continue their arduous work.

Gentlemen, I have also to thank you for the great honour you have done me in electing me as President for the current year. I have worked as a Banker for the greater part of my life and as such, I have not taken much active part in public life and have always avoided controversies. A time and stage must however come in the life of business houses including Banks when the broader interests of Commerce, Trade and Industry should also be kept in view. It is with this in view that my Bank has permitted me to accept the honour you have conferred on me. After all, the interests of the mercantile community

are also common with the interests of Banks, and politics, as such, do not come within the purview of your Chamber except in so far as it is associated or connected with the trade, industry and commerce of the country and the economic life of the people.

I am afraid your choice has this time fallen on old and weak shoulders and I may not be able to carry the heavy responsibilities of the high office to your entire satisfaction. But I take it more as an honour to my Bank to which I have the proud privilege to belong and which has served the mercantile community of Calcutta for the last 25 years with all its resources. I have represented the Bank on your Committee from the inception of the Chamber and I have every hope of getting full co-operation and help from my valued friends on the Committee who are all so very experienced and capable businessmen. All I can say is that I shall try to do my best to deserve the confidence reposed in me even though I find that the work of the Committee is becoming increasingly difficult and complicated.

I thank you all, Gentlemen, for the trouble you have taken in coming here today and for the interest you take in the affairs of the Chamber.

REPORT

INDIAN CHAMBER OF COMMERCE
CALCUTTA.

INDIAN CHAMBER OF COMMERCE, CALCUTTA.

Report of the Committee for the year 1939.

The Committee of the Indian Chamber of Commerce, Calcutta, have the honour to present to the members of the Chamber their report for the year ended 31st December, 1939 together with the Statement of Audited Accounts for the period. The Committee for the year 1939 were elected at the Annual General Meeting of the Chamber held on the 27th February, 1939. The following gentlemen were elected to serve on the Committee :—

President—Mr. G. L. Mehta (Messrs. Scindia Steam Navigation Co., Ltd.); Senior Vice-President—Mr. N L. Puri (Central Bank of India, Ltd.); Vice-President—Mr. R L. Nopany (Messrs. Daulatram Rawatmull); Members—Mr A. L. Ojha (Messrs. Amritlal Ojha & Co., Ltd.); Mr. D. P. Khaitan (Messrs. Indian Shipping Co., Ltd.); Mr. M. L. Shah (Messrs. Chimanlal Vadilal & Co); Mr K. L. Jatia (Messrs. Mahalıram Ramjeedas); Mr. K. M. Naik (Messrs National Insurance Co., Ltd.); Mr. Kassim A. Mohamed (Messrs. Kassim and Ismail); Mr. L. N. Birla (Messrs. Birla Bros., Ltd.); Mr. K. P. Goenka (Messrs. Ramdutt Ramkissendass); Mr. Faizulla Gangjee (Messrs. Gangjee Sajun & Co.); The Hon'ble Mr. S. K. Sinha (Messrs. Tata Iron and Steel Co., Ltd.); Mr. D. Khaitan (Messrs. Bharat Insurance Co., Ltd.); Mr. B. D. Bhatter (Sir Sarupchand Hukumchand & Co.); Lala Karamchand Thapar (Messrs. Karam Chand Thapar & Bros.); Mr. Debes Chandra Ghose (Messrs. Gopalpur Tea Co.); Mr. Bahadur Singh Singhi (Messrs. Dalchand Bahadur Singh); Mr. Mungtooram Jaipuria (Messrs. Anandram Gajadhar); Mr. M. G. Bhagat (Messrs. Bengal Potteries, Ltd.); Mr. Pranjivan Jaitha (Pranjivan Jaitha, Esq.).

During the year under review, there were also several vacancies in the Committee due to members having taken leave of absence

and Messrs. J. R. K. Modi, K. D. Jalan, Nareshnath Mukherjee and D. C. Driver were invited to serve on the Committee for varying periods in the vacancies thus created.

The Committee had altogether 40 sittings during the course of the year. Standing Sub-Committees on various subjects, *viz.*, Transport, Finance, Insurance, Coal, Produce etc., were also appointed and several meetings of the various Sub-Committees were held during the year under review. With a view to ensure a careful consideration of the various matters of importance which required closer and detailed investigation and which did not fall within the purview of any of these Standing Sub-Committees, Special Sub-Committees were appointed by the Committee from time to time. Among the principal subjects dealt with by the Committee during the year were those relating to Finance, Currency, Exchange, Banking, Shipping, Tariffs, Railways, Customs etc.

REPRESENTATION ON PUBLIC BODIES.

Board of Scientific Research for Bengal.—On the 6th January 1939 the Director of Industries, Bengal wrote to the Chamber stating that the Government of Bengal had sanctioned the establishment of a Board of Scientific Research for the Industries Department as an experimental measure for a period of two years, with the object of advising the Industries Department in matters relating to Industrial Research as also for examining proposals for research, etc. The Director of Industries requested the Chamber to nominate a representative for serving on the Board. The Committee replied on the 16th January 1939 nominating Mr. A. L. Ojha to serve on the Board as a representative of the Chamber.

Provincial Advisory Board on Indian Forest Utilisation for Bengal.—The Committee received a letter dated the 23rd February 1939 from the Government of Bengal,

Department of Commerce and Labour stating that they had under consideration the establishment of a Provincial Advisory Board on Indian Forest Utilisation for Bengal and requesting the Chamber to suggest the names of persons, directly associated with the timber business, for nomination as representatives of the Chamber on the Board. The Government of Bengal also requested for the suggestions of the Chamber in this connection. The Committee replied on the 11th March 1939 suggesting the name of Mr. P. D. Himatsingka of Messrs. Himatsingka Timber Company Limited, for being nominated as a representative of the Chamber on the said Board.

Visiting Committee of the Medical College Group of Hospitals.—The Government of Bengal wrote to the Chamber on the 6th April 1939 stating that the Visiting Committee of the Medical College Group of Hospitals was due for reconstitution and requesting the Chamber to submit fresh nomination for the new Committee. The Committee replied on the 22nd April 1939 informing that Mr. M. L. Shah was re-nominated to represent the Chamber on the Visiting Committee for the year.

Representation of the Chamber on the Provincial Board of Communications.—The Committee have since a long time been in correspondence with the Government of Bengal regarding representation of the Chamber on the Provincial Board of Communications. In reply to Chamber's letter of the 12th July 1939 the Government stated in their letter of 8th August 1939 that no useful purpose would be served by further consideration of the question.

Representation of the Chamber on the Licensing Board.—On the 4th July 1939 the Committee addressed a letter to the Government of Bengal requesting for representation of the Chamber on the Licensing Board constituted under Regulation 2 of the Regulations published by the Commerce Department Notification dated the 24th December 1935. The main function of the Board is to grant licenses to approved electrical contractors, to conduct examinations and to grant certificates of competency to

supervisors and electrical workmen etc. The Government of Bengal replied on the 21st July 1939 that the Chamber's request for representation could not be entertained as it would involve the amendment of Regulation 2 which the Government were not prepared to undertake at present. It was suggested that the application for representation be renewed in March 1942 when the term of the present Board would expire and the question of its reconstitution would be taken up.

Revision of the Electoral Rolls.—The Chamber received a letter dated the 9th May 1939 from the Commissioner, Presidency Division, forwarding a copy of a letter from the Government of Bengal dated the 18th April 1939 regarding preparation of the revised electoral roll for the Indian Chamber of Commerce Constituency of the Bengal Legislative Assembly. The Committee issued a circular to members of the Chamber on the 18th May 1939 and on the 15th June 1939 forwarded to the Commissioner the forms showing eligibility for inclusion on the electoral roll of the Chamber's Constituency of the Bengal Legislative Assembly, received from members.

Representation of the Chamber on the Bengal Smoke Nuisance Commission.—The Committee had addressed a letter last year to the Government of Bengal requesting for representation of the Chamber on the Bengal Smoke Nuisance Commission, constituted under Section 4 of the Bengal Smoke Nuisance Act, 1905. By their Notification No. 599/8(6)-P.H. dated the 17th May 1939 the Government of Bengal requested the Chamber to submit nomination of a representative of the Chamber on the Commission. The Committee replied on the 29th May, 1939 nominating Mr. M. G. Bhagat on the Commission.

Representation of the Chamber on the Price Control Advisory Committee.—The Government of Bengal wrote to the Chamber on the 11th September 1939 that in pursuance of the policy announced by them regarding fixation and control of prices, a Controller of Prices had been appointed who in consultation with an Advisory Committee consisting of repre-

sentatives of trade, commerce and of the public and experts will fix prices and take necessary measures to ensure and regulate supply of necessary commodities to the community at a reasonable cost. The Chamber was invited to nominate a representative on the Advisory Committee. The Committee replied on the 13th September 1939 nominating Mr. D. P. Khaitan to represent the Chamber on the Price Control Advisory Committee.

Representation of the Chamber on the Board of Calcutta Improvement Trust.—On the 7th August 1939 the Committee addressed a letter to the Government of Bengal requesting for representation of the Chamber on the Board of the Calcutta Improvement Trust The Committee stated that they understood that the question of increasing the representation of commercial community on the Board of the Calcutta Improvement Trust was receiving the attention of the Government. The Committee pointed out that this Chamber was one of the most representative Commercial organisations of the Province and represented a very large and varied section of the mercantile community of the City. It was also mentioned that in view of the large interests represented by the Chamber, it enjoyed the right to elect representatives on the Bengal Legislative Assembly, the Commissioners for the Port of Calcutta, the Central Jute Committee, Advisory Committees of the various Railways and a number of other public institutions. A reply from the Government is awaited.

Indian Central Jute Committee.—The Secretary, Indian Central Jute Committee wrote to the Chamber on the 4th December, 1939 inviting them to nominate a person to represent the Chamber on the Central Jute Committee, in place of Mr. Sheokissen Bhattar whose term of Office was to expire on 23rd of December, 1939. The Committee thereupon nominated Mr. K. P. Goenka to represent the Chamber on the Central Jute Committee.

INTERVIEWS AND MEETINGS

Meeting with Mr. J. J. Singh, President, Indian Chamber of Commerce of America.—On the 6th January 1939 the Committee met Mr. J. J. Singh, President of the Indian Chamber of Commerce of America, who was on a visit to Calcutta, and discussed with him various questions relating to trade treaty between India and America and especially the question of the status of Indian business men visiting America for trade purposes. Sir Ardeshir R. Dalal was in the Chair.

Meeting with the Hon'ble Sir Andrew Clow, Communications Member, Government of India.—On the 7th July 1939 the Committee met Sir Andrew Clow, Communications Member of the Government of India at the premises of the Chamber, and discussed with him various subjects of commercial importance. The Committee stressed the necessity of early Indianisation of the major Port Trusts in India. The question of purchase of company managed railways was also discussed. The Committee further emphasised the necessity of the Government of India taking over the private telephone systems in the country. The question of Indian control over the affairs of the Trans-Continental Airways and the position of the Coal Industry were also discussed.

Meeting with Sir Guthrie Russell, Chief Commissioner and Mr. T. S. Sankara Iyer, Financial Commissioner of Railways.—On the 1st August 1939 the Committee met Sir Guthrie Russell, Chief Commissioner and Mr. T. S. Sankara Iyer, Financial Commissioner of Railways at the premises of the Chamber when various subjects concerning Railway policy were discussed. The Committee stressed the necessity of establishing a well-equipped workshop for manufacturing locomotives and other railway requirements in India. The necessity of introducing air-conditioned service between Howrah and Delhi, was also pointed out. The subject of reduction in the railway rate for soft coke from Jharia to Bombay, Delhi and Lahore

was discussed and the Commissioners promised to consider the Chamber's suggestion. The difficulty owing to shortage of wagons for coal traffic each year was also pointed out to the Railway Commissioners. The subject of purchase of company managed railways, tenders for railway coal, surcharges for travelling by fast trains on third class passengers on certain railways and Jute type of wagons were also discussed.

Meeting with Mr. J. F. Sheehy, C.S.I., I.C.S., Member, Central Board of Revenue.—On the 21st July 1939, the Committee met Mr. J. F. Sheehy, C.S.I., I.C.S., Member, Central Board of Revenue at the premises of the Chamber and discussed with him various questions in connection with the administration of the new Income-tax Act. The Committee urged the necessity of the new Act being administered sympathetically for the next two or three years at least in view of the fact that it was a complicated piece of legislation and would take sometime before it was properly understood by the assessee. The Committee also suggested that the Income-tax Tribunal should be set up as early as possible and pointed out that the Chairman and the members of the Tribunal should be persons fully conversant with the provisions of the Income-tax Law and practice. The Committee also discussed the question of Depreciation Allowance for property let out for industrial and business purposes and the necessity of a general provision giving the Income-tax Officer discretion to allow depreciation in respect of articles not specifically provided for in the Income-tax Rules as it was impracticable to give exhaustive list in the Rules of Articles used for business purposes. The Committee also urged that whenever assessment was reopened on the plea that some income had escaped assessment but it was found that the assessee on the other hand was being charged more, an order for refund should be made in favour of the assessee. The subject of commission to Insurance agents was also discussed. The Committee pointed out the anomalous position of charging this kind of income under salary when insurance agents were not employees of Insurance companies but were only entitled to commission under the new Insurance Act. Mr. Sheehy promised to look into the matter. The Committee also expressed their dis-

approval of the proposal to levy stamp duty on the letter of authority required to be given by the assessee to the person representing him before the Income-tax Authorities. The question relating to registration of partnership, assessment of the property of diseased persons and provisions about income-tax appeals were also discussed. Mr. Sheehy gave suitable replies and promised careful consideration of the various points raised by the Committee of the Chamber.

Meeting with Mr. M. H. Kantawala, Bar-at-law, Ceylon Trade Commissioner in India.—The Committee met Mr. M. H. Kantawala, the Ceylon Trade Commissioner in India, on the 22nd August 1939 at the premises of the Chamber and discussed with him various questions relating to Indo-Ceylon Trade Relationship and immigration of Indians into Ceylon.

Meeting with the Hon'ble Sir Ramaswami Mudaliar, Member for Commerce and Labour, Government of India.—On the 27th November 1939 the Committee met the Hon'ble Sir Ramaswami Mudaliar C.I.E., Commerce Member of the Government of India at the premises of the Chamber. Various subjects such as regulation of prices of piece-goods, functions of the Economic Resources Board established recently by the Government of India, difficulties about getting essential chemicals and basic materials, the question of development of Indian Shipping including Haj Traffic, Ratification of Trade Negotiations and commercial agreements by elected representatives of the people and the necessity of making a provision in the Bank Bill that Banks should not be allowed to be agents of Insurance Companies, were discussed. The Committee pointed out that the piece-goods trade in the various provinces was inter-related and inter-dependent. Recently there had been a large increase in the prices of cotton, various chemicals, and sizing and colouring materials. The Government of India had laid down certain general principles in the matter but it was essential according to the Committee of the Chamber, that the Government of India in consultation with the Millowners' Asso-

ciations in the country arrived at a definite formula which might be applied by all the Provincial Governments uniformly.

The Committee further pointed out that the Economic Resources Board established by the Government was to function as an Advisory Body to enable the Government of India to tackle the many problems arising out of war conditions in a comprehensive manner from all different viewpoints. What the public and the Commercial community, however, desired, was not merely such an Advisory Committee for the Government but a body invested with wide powers to enquire into and find out the remedies for the varied and fundamental problems, the country had to face due to war conditions as also to help industrial development of the country by suggesting effective measures so that the present opportunity may be availed of for obtaining that measure of economic self-sufficiency which was vitally necessary. The Committee also stressed the importance of the Government continuing to the industries that may be established in this time, a reasonable margin of protection even after the war till such time as the Industries were able to maintain themselves. The Committee emphasised that the Economic Resources Board should function as a body fully and constantly in touch with commercial and industrial interests and entrusted with the task of making India as much self-sufficient as possible in articles essential both in times of peace and war. The Committee also explained the difficulties experienced by various industries owing to a number of chemical and basic materials not being available and suggested that the Government should explore all possibilities of manufacturing new lines of chemicals in the country and where it could not be done, the Government might also arrange for supplies from other countries. The Committee requested for co-operation of the Government to the two sub-committees appointed by the Conference convened at the initiative of the Indian Chemical Manufacturers' Association in this connection.

The Committee further traced out the difficulties in the development of Indian Shipping and the attitude of the Government of India on the question till now. The Committee pointed

out that though 22 out of 27 Maritime countries of the world had reserved their coastal trade to their own bottoms, the anomalous position in India was that India enjoyed only a fraction of her vast coastal trade. Moreover, though the Government of India had declared their policy of assisting participation of Indian Shipping in the overseas trade of the country, the Committee stated that even the widely recognised principle that the claims of national shipping should form the vital part of the trade agreements between different countries had been set aside on numerous occasions in the past. The Committee referred to the Haj quota recently allocated by the Government and to the appointment of the Controller of Shipping and stated that serious apprehensions were entertained by the Indian public regarding the intentions of the Government on the subject.

CUSTOMS

Protection to minor Industries.—The Committee have been in correspondence with the Government of India in this connection for the last two years, in course of which the Committee strongly objected to the suspension of the Enquiry into the position of minor industries by the Government, in November 1937. On the 24th January 1939, the Committee again addressed a letter to the Government of India stating that they received further representations regarding various minor industries adversely affected by Japanese competition. For instance, it was pointed out, that the school slate manufacturing industry in India suffered greatly on account of considerable reduction in prices of school slates by Japan, which resulted in the closure of several indigenous factories in several places in India including five factories in Calcutta. The Committee further pointed out that the raw materials *e.g.* minerals, wood etc. of good quality required for the industry were available in India and hence the finished products could be produced at reasonable prices. However Japan entered into cut-throat compe-

tition by reducing prices of slates of assorted sizes from Rs. 10/8/- per six dozen in 1932 to Rs. 5/8/- per six dozen in 1937 and after the closing down of the Indian factories Japan again raised the price to Rs. 7/-. As there was always threat of Japan entering the field, the Indian manufacturers now found it difficult to venture into the field.

As regards the reasons adduced by the Government for the suspension of the enquiry that the prices of Japanese goods had been rising, the Committee stated that the prices were raised only after the Indian manufacturer had been wiped out. The Committee regretted the purfunctory manner in which the Government of India dealt with this question and urged them to avail of the opportunity of the fresh negotiations with Japan which would be undertaken when the Indo-Japanese Trade Convention would expire in April 1940, for protecting minor industries. The Committee, therefore, stressed the necessity of the Government immediately proceeding with the Enquiry so that the results of the same may be available at the time of the next Indo-Japanese Trade negotiations.

The Governing of India replied on the 16th March 1939 stating that they noted the views of the Chamber.

On the 28th March 1939 the Committee addressed letters to all the Provincial Governments enclosing copies of the correspondence passed between the Chamber and the Government of India in this connection and requesting the Provincial Governments to support the Chamber's suggestions for restarting and completion of the Enquiry into the minor industries by the Government of India. The Government of Bombay and the United Provinces acknowledged the Chamber's letter on the 13th and 15th April 1939 respectively. The Government of N. W. F. P. replied on the 17th April 1939 stating that they had no suggestions to make in the matter as there were no minor industries in the Province, which would be affected by the foreign competition particularly from Japan. The Government of Assam replied on the 26th April 1939 stating that they would give due weight to the matter when

the Government of India would address them. The Government of Bihar replied on the 8th May 1939 stating that they had taken up the matter and referred it to the Government of India. The Government of Madras replied on the 11th May 1939 stating they had noted the Chamber's suggestion in this connection. The Government of Orissa replied on the 17th November, 1939 stating that their province was almost entirely lacking in minor or small scale industries and it was not known as to what extent Japanese competition had affected or was affecting such industries and therefore the opinion expressed by the Government of Orissa on the subject would not carry any weight. They further stated that they agreed with the view of Government of India that the present unstable conditions in the Far East could not suitably be made the basis of tariff adjustments.

Annual Revision of Tariff Values.—The Director-General of Commercial Intelligence and Statistics wrote to the Chamber on the 28th October, 1939 enclosing a copy of the Provisional Tariff Rates for 1940 and invited the Chamber to send representatives at the meeting he proposed to convene in order to discuss the same. Accordingly the Secretary of the Chamber along with representatives of several other members attended the meeting on the 27th November, 1939 and had a discussion on the various items, the tariff values for which were either changed or abolished. It was pointed out that there was no reason to raise the tariff value of Cassia to Rs. 25/- from Rs. 12/8/-, and in no case should it be higher than Rs. 20/-. The Director-General was agreeable to the reduction as suggested. As regards the tariff value for Madagascar cloves the Chamber submitted a statement giving the prices in the previous year and it was suggested that the tariff values for Madagascar and Zanzibar cloves should not be fixed higher than Rs. 42/- and Rs. 49/8/- respectively. The Director-General pointed out that the prices of cloves had gone up recently and bearing this aspect in mind it might not be possible to fix the Tariff Values at less than Rs. 49/8/- and Rs. 57/-.

The question of deletion of Tariff Values for Chemicals basic metals and aluminium sheets was also taken up. It was pointed

out that dealers would have to pay a high custom duty as the market values fluctuated from day to day. The Director-General stated that during the last war the Tariff Values for these Commodities were increased by 200 to 300 per cent., and as since the outbreak of the present war the prices of these goods had increased considerably, they had to delete these items from the tariff list. It was represented on behalf of the Chamber that after the war the prices would go down and an assurance should be given that steps would be taken to re-introduce the tariff values after the war terminates. The Director-General promised to take up the matter as soon as the war ended.

Indo-Afghan Trade Negotiations.—The Committee had some correspondence with the Government of India last year regarding the difficulties of Indian traders in Afghanistan. On knowing that the Government of India proposed to enter into trade negotiations with the Afghan Government the Committee addressed a letter to the Government of India on the 12th January 1939 referring to the restrictions on Indians in Afghanistan and stating that in any trade agreement to be concluded with Afghanistan the Government of India should secure for the Indian residents there the same rights and privileges as were enjoyed by Afghan nationals in India who were allowed to carry on their business and profession freely in this country. The Committee pointed out that the fact that these restrictions were applicable in Afghanistan to all foreigners should not be considered as a reason for Indian residents being subjected to the same, for, apart from the complete freedom of action of the Afghan nationals in this country; the Government of India allowed large concessions to the Government of Afghanistan. The Committee also referred to the assurances given by the Hon'ble Mr. Dow in the Council of State that the Government of India would take steps to ascertain the views of the Commercial interests in this matter before concluding any agreement and emphasised the necessity of consulting Indian Commercial interests and associating non-official advisors during the course of negotiations as was done in the case of Indo-British Trade negotiations.

The Government of India replied on the 13th February 1939 stating that the views of the Chamber had been noted.

Apropos the reports about the resumption of Trade Negotiations between the Governments of India and Afghanistan, the Committee addressed a letter to the Government of India on the 18th October 1939 stating that there was a large scope and extensive market for Indian goods in Afghanistan and that the Government of India should conclude a comprehensive Trade Agreement with that country so that this neighbouring market may be ensured for Indian manufactures. The Committee referred to the reports about a Barter Agreement between Germany and Afghanistan concluded sometime back and stated that owing to the war, the situation had changed and the Government of India should take this opportunity of concluding an agreement with Afghanistan as India was in a position to export a large number of manufactured articles like textiles, sugar, iron and steel, tea, leather and cement to that country. The Committee also mentioned that the Trade Agreement between the two countries should decide the question of the status of Indian businessmen in Afghanistan. The Committee stated that a number of irksome restrictions on the entry and movement of Indian businessmen were imposed by the Afghan Government and the Indian Trade with Afghanistan had considerably suffered on account of these restrictions. The Committee suggested that the Government of India should represent to the Afghan Government that no such restrictions were imposed on Afghan Nationals in this country and Indians should therefore be given the same treatment in that country as their nationals were given here. Copies of this letter were also sent to the Ahmedabad and Bombay Mill Owners Associations and it is understood that they have also addressed the Government of India on the subject on similar lines.

The Government of India wrote to the Chamber on the 25th November, 1939 stating that they had made no proposals to the Afghan Government for resumption of Negotiations for an Indo-Afghan Trade Agreement. The Committee thereupon addressed

a letter to the Government of India on the 28th December, 1939 regretting that the Government had not yet approached the Afghan Government for resumption of trade negotiations. The Committee referred to the remarks made by the Trade Agent at Kabul in his first Report in which he had stated that the Indian Trade with Afghanistan could be developed extensively in respect of a number of articles. The Committee pointed out that the present was an opportune time to conclude a Trade Agreement with Afghanistan as most of the countries, who used to export manufactured goods to the same, were not in a position to do so on account of the outbreak of war. The Committee added that they were aware that Indian Industries would be called upon to meet the demand of the country itself for manufactured articles, but they felt that it was likely that the Industries would soon develop to an extent when they would be able not only to meet internal demand but also to export goods to other markets. The Committee pointed out that till recently India used to export textile goods to South Africa and Iran but those markets were lost because of uneconomic competition resorted to by foreign manufacturers. The Committee further stated that there was a large scope for increasing Indian exports of green tea to Afghanistan. They pointed out that China used to export in 1937-38 about half a million pounds of green tea to Afghanistan but in 1938-39 China's exports fell by about two lacs, out of which India gained only about 13,000 pounds while the rest went to the share of Japan. The Committee suggested that the Government of India should therefore resume negotiations with Afghanistan with a view to conclude early a Trade Agreement with that country which should include also the question of the status of Indian businessmen in Afghanistan. The matter is receiving attention.

Negotiations for a General Treaty of Commerce and Navigation between India and the United States of America.—The attention of the Committee was drawn to the difficulties experienced by India Merchants desiring to establish business in the United States on account of the enforcement of Imigration Act there, which prohibited the permanent entry of Indians into U. S. A. The Committee discussed this sub-

ject with Mr. J. J. Singh, President, Indian Chamber of Commerce, America who was on a visit to Calcutta, on the 6th February 1939, when the latter emphasised the necessity of a trade treaty between India and America for improving the position and status of Indian business men in America. The Committee thereupon addressed a letter to the Government of India on the 8th March 1939 referring to the statement of Mr. H. Dow in the Legislative Assembly to the effect that the question of a trade treaty between India and U. S. A. was receiving the active consideration of the Government of India. The Committee pointed out that the Immigration Law of U. S. A. barred free entry and residence in the United States of all Asiatic races including the people of India, Japan, China, Siam and other countries, who were allowed to visit America only as tourists or temporary visitors for six months or as students. The Committee stated that while other nationals namely Japanese Chinese and Siamese had got over these difficulties by their respective countries entering into trade treaties with the U. S. A., the restrictions against Indian business men still prevailed. The Committee referred to the reported readiness of the authorities in the U. S. A. to give sympathetic consideration to suggestions about the conclusion of a trade treaty between U. S. A. and India, and requested the Government to take early steps to conclude such a trade treaty, which, apart from giving direct stimulus to the trade between India and America, would remove the handicap on Indians carrying on legitimate trade activities in U. S. A.

The Government of India replied on the 22nd March 1939 stating that the negotiations had already commenced and that they were awaiting draft of a treaty which the Government of U. S. A. had agreed to furnish for the consideration of the Government of India. The primary object of such a treaty, the Government added, was to secure greater facilities than at present for Indians wishing to enter the U. S. A. for purposes of trade.

The Committee wrote again on the 28th March 1939 thanking the Government of India for the information and emphasising the necessity of their taking the Indian commercial community into

confidence during the course of the negotiations and suggesting that the Federation of Indian Chambers of Commerce and Industry be invited to nominate representatives to advise the Government in this connection.

India Burma (Trade Regulation) Order, 1937: Alleged Dumping of Burmese Rice into India.—The Committee received a letter dated the 11th January 1939 from the Government of Bengal forwarding therewith copy of a letter dated the 30th December 1938 addressed by the Bengal National Chamber of Commerce to the Government of India in regard to the question of the termination of the existing India and Burma (Trade Regulation) Order, 1937, and of negotiating a fresh trade agreement. The Bengal National Chamber represented to the Government of India that on account of dumping of rice from Burma in the Bengal market, the price of rice had considerably fallen with adverse effects on cultivators and that effective steps were necessary to prevent the free import of rice from Burma in order to enable the cultivators in Bengal to realise remunerative prices for their paddy. The annual consumption of rice in Bengal, it was stated, was considerably in excess of the average quantity annually produced in the province and in the circumstances a rise in the price would have been natural but the prices were, on the other hand, on the downward grade because of the influx of cheaper Burma rice. As it would not be possible for the Government to impose duty on Burmese Rice into India so long as the India and Burma (Trade Regulation) Order, 1937, were effective, the Bengal National Chamber suggested that the Government of India should take the earliest opportunity of giving a notice of termination of the Order, which was due to expire in April 1940 and of starting fresh negotiations with the Government of Burma under which provision be made for putting a stop to the dumping of rice at uneconomic prices in India, in order that the cultivators of paddy may obtain remunerative prices for their crops. As the Bengal National Chamber had requested the Government of Bengal to take up the matter with the Government of India, the Bengal Government invited the views of the Chamber in this connection.

The Committee, thereupon, addressed a letter to the Government of India on the 31st January 1939 pointing out that there has been close economic and cultural association between India and Burma since long and the question of a trade agreement between the two countries was a very important one not only from the point of view of the large volume of export and import trade between the two countries but also from that of safeguarding the interests of the large number of Indians settled in Burma. The Committee therefore suggested that the whole question of the future trade relations between India and Burma should be considered by a conference including the representatives of the Indian commercial and mercantile community as was done at the time of the formulation of the existing trade Order before the separation. The Government of India replied on the 22nd February 1939 inviting attention to the speech made by the Hon'ble Commerce Member in the Legislative Assembly on the 10th February 1939 during the course of a debate on the resolution regarding the termination of the India and Burma (Trade Regulation) Order, 1937. The Hon'ble Sir Mohamad Zafarullah Khan stated during the debate that the matter was under the active consideration of the Government of India and that the consideration of the question had not yet been concluded.

The Committee sent a reply to the Government of Bengal on the 1st March 1939 stating that the question of the termination and renewal of the Indo-Burma (Trade Regulation) Order was very important and should be considered as a whole and not from the point of view of one particular commodity alone. As regards the question of rice trade the Committee pointed out that as admitted by the Bengal National Chamber themselves, the consumption of rice in Bengal was considerably more than its production in the Province and consequently they felt that any restrictions on the imports of this staple food of the poor classes would be a measure of very doubtful utility. Even considering India as a whole, the Committee stated, imports of rice amounted to 15 to 20 lakhs tons per year while the exports from India were about 2 lakhs tons each year. Moreover, Bengal imported comparatively a small portion of rice *viz.*, 1,49,000 tons (in 1937-38) as compared

to Bombay which imported 3,71,000 tons and Madras which imported 7,11,000 tons. Moreover large quantities of rice imported into Bengal found its way for consumption in Assam, Bihar, U. P. and other places leaving comparatively small amount for actual consumption in Bengal. The Committee also referred to the decrease in import of rice into Calcutta from Burma from 5 lac tons in 1934 to 1 lac tons in 1937 which showed hardly any indication of dumping. The Committee also did not agree with the contention that Burma was selling rice at unremunerative prices for, the fall in price of Burma rice was a part of the general fall in the prices of agricultural commodities and particularly in view of the fact that Burma produced rice with the aid of imported labour from India. The Committee further stated that though the production of rice in Bengal varied considerably the area under cultivation had remained the same, *i.e.* 21 million acres which proved that cultivators were suffering from under yield and deterioration of the crops and the proper course would therefore be for the Government to initiate measures for improving the cultivation of paddy, milling and marketing conditions etc. in order to help the cultivators in Bengal The Committee were therefore of the opinion that the imposition of any restrictive measures on the imports of rice from Burma would hardly improve matters.

The Federation of Indian Chambers of Commerce and Industry also by their circular letter dated the 1st May 1939 invited the views of the Chamber on the representation received by them from the Bengal Rice Mills and Merchants Association in this connection. The Committee replied on the 17th May, 1939 forwarding a copy of the letter dated the 1st March 1939 (summarised above) which contained the views of the Chamber on this matter.

Northern India Matches (Excise Duty) Supplementary Order, 1938.—It was recorded on page 30 of the last annual report of the Chamber that the Committee had requested the Central Board of Revenue to amend clause 43 of the Northern India Matches (Excise Duty) Supplementary Order which imposed vicarious liability on the employers for the removal from the factories matches by any employee in contravention of the

conditions of the Order. The Central Board of Revenue replied on the 21st February 1939 regretting their inability to recommend to the Government of India the amendment of clause 43 as suggested by the Chamber. The Committee again addressed a letter on the 21st March 1939 enquiring about the reasons as to why the Central Board of Revenue thought it fit not to recommend to the Government the amendment of the clause 43, to which the Central Board of Revenue replied on the 10th April 1939 stating that the decision was based on considerations of administrative efficiency.

The Committee thereupon took up the matter with Finance Department of the Government of India on the 29th April 1939 to which the Government replied on the 29th April 1939 expressing their inability to accede to the request of the Chamber.

Indo-British Trade Agreement.—This subject has a reference on page 33 of the last annual Report. The Government of India published the terms of the proposed trade agreement between His Majesty's Government in the United Kingdom and the Government of India on the 21st March 1939 The Committee issued a Press Communique on the same date pointing out that under the new Agreement U. K got a total preference of more than double the amount recommended by the unofficial advisers and that the reduction of import duty on piece-goods to 15 per cent. and then to 12½ per cent. would adversely affect the indigenous cotton textile industry. It was further pointed out that Lancashire had failed to offer any *quid pro quo*, for, the offtake of Indian cotton was fixed at a considerably lower level as compared to the quantity of piece-goods to be imported by India. On the 26th March 1939 the Committee also addressed a long communication to the Government of India protesting against the manner in which the agreement along with the voluminous memoranda accompanying it were published, leaving very little time for the commercial interests and the Central Legislature to carefully go through the matter in order to express their considered opinion. The Committee also deplored the manner in which the reports of the advisers had been modified, altered and edited by the Government. As regards the import duty on piece-goods from the U. K.

which was already reduced from 25% to 20% in June 1936 the Committee stated that the Agreement provided for a reduction to 15% and a further reduction of 2½% in case the imports of Lancashire piece-goods into India did not reach the 350 million yards in a year. The Committee pointed out that considering the present imports of piece-goods from the United Kingdom into India which amounted to 200 million yards and in view of the large stocks with the Indian Mills it was almost certain that the duty would have to be reduced to 12½%. The Committee pointed out that where—as in respect of reduction in import duty on piece-goods the agreement was explicit and mandatory the reverse process of increase was not laid down definitely. The effect of the guaranteed imports from Lancashire, the Committee stated would be the curtailment of production by the Indian Mills and the Handlooms Industry would also receive a serious set-back. As regards the provisions for the offtake of the minimum quantity of 4 lakhs bales of cotton in the first year and 4,50,000 bales in the subsequent years, the Committee stated that even in 1935-36 and 1936-37 Lancashire consumed 5½ to 6½ lacs bales respectively. The minimum quantity of cotton offtake fixed by the agreement, the Committee felt was of very doubtful value and further no mention was made about proportions of different varieties of cotton inspite of the demand of Indian cotton growers that at least 65 per cent. of the offtake should be Bengal, Oomras, Bihar and other sorts As regards the preferences given to Indian goods, the Committee pointed out that out of total of 33½ crores worth of goods on which India got preference under the Ottawa pact only goods worth Rs. 6 crores enjoyed effective preference while the rest gave India no more than an insurance value. It was further stated that while preferences enjoyed by the United Kingdom related to manufactured articles like chemicals, paints, instruments and apparatus which were directly detrimental to the growth of indigenous industries, the United Kingdom granted preference only to raw materials required for keeping her industries going and for her armament programme. The Committee also referred to the large volume of invisible imports from the United Kingdom into India in the shape of shipping, banking, insurance, technical and administrative services etc.,

which were not taken into account in the calculation of the value of the trade involved in the agreement. The Committee regretted that no provisions were made for the protection to Indian insurance and banking companies, for the training of Indian apprentices into British factories and for relief to Indian Shipping etc. as recommended by the unofficial Advisers The Committee in the end expressed the hope that the Indian Legislature would refuse to ratify the Agreement.

The Legislative Assembly considered the Indo-British Trade Agreement and rejected the same on the 28th March 1939. As, however, the Committee learnt that attempts were being made to induce the Government of India to override the decision of the Legislative Assembly in this connection, a telegram was addressed on the 30th March, 1939 strongly deprecating such pressure to bring the agreement in operation in disregard of the Assembly's verdict. The Committee referred to the statement of Sir George Rainy, the Commerce Member in 1932 that the Government had no intention to put any changes regarding the preferences into effect unless the Legislature were satisfied that they were in the best interests of India, as also to the report of Indian Fiscal Commission which clearly laid down that no preferences should be granted on any article without the approval of the Indian Legislature. The Committee therefore strongly urged the Government to honour the convention already established that in order to be binding on India, the trade Agreements should be ratified by the Central Assembly and requested them to respect the Assembly's verdict, in this case also.

In spite of the opposition to the Trade Agreement from all quarters, the Government of India introduced the Indian Tariff (Amendment) Act on 31st March, 1939 giving effect to the terms of the Agreement. The Committee therefore addressed a letter to the Government on the 4th April, 1939 taking strong exception to the action of the Government in overriding the decision of the Assembly. The Committee referred to the actions in the past in which the Assembly's verdict was duly given effect to and strongly objected to the action of the Government in imposing an agreement

upon India which was thrown out by the Assembly and was unanimously opposed by all the commercial organisations in the country.

Proposed increase of tea cess from Rs. 1/4 to Rs. 1/6.—On coming to know that the Government of India had been approached by the Indian Tea Marketing Expansion Board to raise the cess on tea exported from India from Rs 1/4 to Rs. 1/6 per 100 lbs., the Committee addressed a letter to the Government of India on the 11th November, 1938 protesting against the proposal. The Committee pointed out that in the year 1936 when the tea cess was proposed to be increased from As. 12 to Rs. 1/8/- they had opposed the measure and even last year when it was suggested to increase the rate to Rs 1/4 the Committee suggested that the rate might be increased to Re. 1/-, if necessary. The Committee stated that the results of the Campaign in America and certain other countries were not satisfactory and that the prices of tea ruling at the time were such that even the present rate of cess, Rs. 1/4 per 100 lbs. was considered to be high. The Committee further pointed out that in view of the magnitude of the Indian Tea interests as compared with those of Ceylon and Netherlands East Indies, the direct responsibility for propaganda and voting of all the funds should vest in the Indian Tea Marketing Expansion Board and the International Board to whom the propaganda was entrusted at present should only work in a consultative capacity. The Government of India replied on the 24th December, 1938 stating that no proposal regarding the increase in the rate of tea cess was received by them and they assured that the criticisms of the Chamber would be borne in mind, when the same would be received. As regards the question of entrusting propaganda work to the International Board the Government of India stated that they had fully considered the views expressed by certain tea interests before and they had come to the conclusion that it was economical to use common machinery and that India must benefit by propaganda in favour of the further consumption of tea in the external world markets.

On the 10th January, 1939 the Committee received a letter from the Government of India forwarding copy of a letter received

by them from the Tea Market Expansion Board as also copy of a letter from the Board to the Indian Tea Association in this connection. In their letter to the Government of India, the Indian Tea Market Expansion Board stated that at the Half Yearly Meeting of the Board held in August, 1938, the Board passed a resolution to the effect that cess on tea be raised from Rs. 1/4 to Rs. 1/6 per 100 lbs in order to provide additional funds which were required for the purpose of prosecuting :—(*a*) campaign in India to the extent and on the lines provisionally decided by them, and (*b*) the external campaign recommended by the International Board. The Board further stated that they approached the Indian Tea Association in this connection who issued a circular to all registered Rupee interests in the North and South India and a referendum on the proposal was taken. A reminder was also sent by the Indian Tea Association to these interests stating that if reply was not received before the 30th November, 1938 it would be taken for granted that the interests concerned had no objection to the proposed increase in the rate of cess. The result of the referendum, the Board further stated, was 81.54% in favour of the increase, 9.34% no reply, and 9.12% against, on the acreage basis, and 84.53% in favour 7.46% no reply and 8.01% against on the crop basis. The Board contended that from the gardens from which no reply was received it might be taken for granted that they were not against the proposal, and accordingly the support to the increased cess rate was 90.88% of the Industry on the acreage basis and 91.99% on the crop basis. In their letter to the Indian Tea Association the Board stated that for foreign campaign India was asked to contribute Rs. 25,20,000 for 1939 out of which about Rs. 12 lakhs were to be spent in the U.S.A., Rs. 6 lakhs in British Isles, and the rest in Canada, the Continent of Europe, Australia and Africa. This amount of Rs. 25 lakhs, the Board pointed out, represented an increase of Rs. 2 lakhs upon the corresponding figure for 1938. Moreover Rs. 2 lakhs more were required for propaganda in India also which at present cost Rs. 18 lakhs. The next consideration, the Board stated, for increasing the cess was the necessity of adding to the Board's estimated balance at the close of the year. At present the Board

had to borrow temporarily for the commitments and it was their desire to increase the balance so that borrowing may not be necessary. In pursuance of this policy the Board provided for the balance of Rs. 3.24 lakhs in 1937-38 budget, 4.62 lakhs on the 1938-39 budget and they proposed to have 6 lakhs in 1939-40 budget The Government of India requested for the views of the Chamber on the proposal.

The Committee replied on the 3rd February, 1939 stating that they were not agreeable to the proposal of increasing the tea cess, and pointed out that the results of the external campaigns were not encouraging, as in the U.S.A., in which about Rs. 12 lakhs were to be spent, the exports of tea instead of increasing were going down. It was therefore suggested that the rate of cess should not be increased before a thorough enquiry into the whole question was made. Moreover, the Committee stated that the increase of tea cess rate would be prejudicial to the Indian Tea Growers. As regards the referendum taken by the Indian Tea Association, the Committee stated that about 9.12% were against the increase and the 9.4% from which replies were not received could hardly be construed as in favour of the proposal. The Committee therefore felt that 19% of the Industry who opposed the proposal should not be ignored in this connection. In the end the Committee suggested a complete enquiry in the question of expansion in the external campaign for extending the Tea markets as also the results so far achieved.

It was, however, subsequently learnt that the Government of India by their Notification dated the 18th March, 1939 increased the Tea Cess from Rs. 1/4 to Rs. 1/6 per 100 lbs.

Fixation of separate Tariff values for cloves from Zanzibar and from Madagascar.—At the discussion which the representatives of the Chamber had with the Director General of Commercial Intelligence and Statistics on the 21st November, 1938 regarding annual revision of tariff values, a suggestion was made on behalf of the Chamber for making separate entries in the import tariff for cloves from Zanzibar and from Madagascar. The

Director General suggested at the time that the question might be raised afterwards. At the instance of the Calcutta Kirana Association who originally made the suggestion, the Committee therefore addressed a letter on the 4th April 1939 to the Director General referring to the discussions at the time of the annual revision of Tariff Values and requesting him to consider the question of fixing separate tariff values for cloves from Zanzibar and from Madagascar. The Director General replied on the 18th April 1939 desiring to be furnished with an up-to-date statement showing the prices from October 1938 of different qualities of cloves from Zanzibar and from Madagascar, which was duly supplied on the 10th May 1939.

The Director General of Commercial Intelligence further wrote to the Chamber on the 18th July 1939 stating that in view of the difficulty in distinguishing between cloves from Zanzibar and from Madagascar and other administrative difficulties, it was not possible for him to recommend the adoption of two separate Tariff values for cloves from these two countries. A further letter was thereupon addressed to the Director General of Commercial Intelligence on the 29th July 1939 pointing out that it was not difficult to distinguish Zanzibar cloves from Madagascar cloves as the former were packed in bales and the latter in bags. It was suggested that the matter be reconsidered in view of the simple manner of distinguishing these two kinds of cloves. The Director General of Commercial Intelligence replied on the 4th August 1939 stating that he had very carefully examined the administrative aspect of the question in consultation with the Collector of Customs and did not consider that a further examination would serve any useful purpose. The Committee thereupon wrote to the Director General of Commercial Intelligence on the 25th August 1939 stating that consignments of cloves from Zanzibar or from Madagascar were imported with certificates of origin which would easily show the Port from which the shipment was made. Moreover, the Bill of Lading of the steamer conveying the goods issued at the Port of shipment would also show the country of origin. The Committee further stated that cloves from Madagascar were imported in gunny bags of standard size and weight and the bags

had the words "Produce of Madagascar" stencilled upon them. The Committee also pointed out that cloves from Zanzibar were assessed to a preferential rate of duty of 37½ per cent. *ad valorem* while the standard rate of duty of 45 per cent. *ad valorem* was charged on Madagascar cloves. The Customs Authorities therefore must already be charging the two kinds of cloves separately and the Committee therefore could not appreciate that any difficulty could be experienced in distinguishing one variety of cloves from the other. Moreover imports of cloves from Madagascar amounted to about 50 per cent of the total of clove imports of India and to more than 80 per cent of imports into Calcutta, and in the opinion of the Committee the demand for separate classification of cloves from Madagascar was justified. The Committee also mentioned that they understood that the Collector of Customs, Calcutta was in favour of the suggestion for separate classification of these two varities of cloves.

Granting of Banderols on credit.—This has reference on page 31 of the last Annual Report. The Committee had on the 29th November 1938 addressed a letter to the Commissioner of Excise and Salt requesting him to grant on credit Banderols to Messrs. Pioneer Match Factory. On the 1st April 1939 the Committee addressed a letter to the Central Board of Revenue in this connection pointing out that although the Pioneer Match Factory was paying a large sum amounting to Rs. 4 to 5 lakhs annually to the Government by way of Excise duty, their request for granting them facility of having Banderols on credit was turned down by the Excise Department. The Committee stated that this facility was granted to the Western India Match Factory and they requested the Central Board of Revenue to take steps to remove this injustice to the Pioneer Match Factory either by granting them the facility for having Banderols on credit, failing that by discontinuing the same enjoyed by other factories during the period the matter would be reviewed by the Central Board.

Statistics relating to sugar.—At the instance of Mr. D. P. Khaitan the Committee addressed a letter to the Director

General of Commercial Intelligence and Statistics on the 17th January 1939 referring to the figures of production and imports of sugar published in the Monthly Survey of Business Conditions in India and the figures of imports of sugar given in the Price and Trade Movements Section of the Indian Trade Journal which were given either for the financial year or according to the calender year. As the sugar Industry was a seasonal industry beginning from November, the Committee suggested that the figures relating to the production and import of sugar should be given according to the crushing year that is from November to the end of October of the following year instead of as at present. The Deputy Director of Statstical Research replied on the 13th March 1939 informing that in view of the reasons given by the Chamber it had been decided to publish the figures relating to the production of sugar in India on the seasonal year basis, in the Monthly Survey of Business Conditions in India with effect from February 1939 issue. The Deputy Director added that the figures of import of sugar would be continued in the present form. The Committee thanked the Director-General for his accepting their suggestion.

Inter-provincial Excise barriers to the Indian Pharmaceutical Industry.—Messrs. The Alembic Chemical Works Company Limited, wrote to the Chamber on the 6th January 1939 forwarding a copy of their appeal to the Indian National Planning Committee regarding the Excise barriers which hampered trade in spirituous medicinal and toilet preparations between various provinces in India. It was pointed out in the appeal that the policy of the Provincial Governments in laying down different rules for verification and collection of duty on Indian made spirituous medicinal preparations worked as a great detriment to the indigenous industry and discriminated in favour of the foreign imported products which were free from these barriers. The National Planning Committee was requested to give close and careful consideration to this discriminating policy which operated to the prejudice of the Indian industry and to have it removed. The Chamber was requested to support the appeal. The Committee therefore wrote to the President, National Planning Committee on the 17th January 1939 referring to the Appeal

of the Alembic Chemical Works and stating that in view of the importance of the Chemical and Pharmaceutical industry in the National economy, the Planning Commission should give a serious consideration to the points raised by Messrs. The Alembic Chemical Works.

Tariff Board's Reports on Sugar, Paper and Magnesium Chloride Industries.—The Government of India published Reports of the Tariff Boards on Sugar, Paper and Magnesium Chloride industries on the 30th March 1939, along with their recommendations on the same. The Committee thereupon addressed a letter on the 4th April 1939 to the Government of India strongly objecting to the inordinate delay in the publication of these reports, the sugar industry report being published after more than a year and a quarter of its submission, while the other two reports after eleven months of their submission to the Government of India. The Committee referred to the Glass Industry Tariff Board Report which was published after 3 years and invited the attention of the Government to the observations of the Indian Fiscal Commission that "Government should publish the results of the enquiry promptly whether it agrees with the conclusions of the Board or not." The Committee also expressed surprise at the attitude of the Government in characterising the Sugar Tariff Board Report as having become out of date, although the fault for delaying the publication lay with them. The Committee also regretted that the Government differred with the considered recommendations of all the three Tariff Boards and decided to reduce the level of Protective duties recommended by the Tariff Boards. The Committee felt that such a lack of courtesy and respect for the findings of the Tariff Boards was likely to affect the utility of the machinery of the Tariff Board in future. The Committee also took strong exception to the remarks of the Government in connection with the observations of the Sugar Tariff Board regarding excise duty on sugar and stated that in considering the question of protection the Board was perfectly entitled to consider all the important questions relating to the Industry and excise duty had a great bearing on the position and development of the Industry *vis-a-vis* Protection. The Committee

then referred to the reduction of the period of protection from 7 years to 2 years in the case of sugar industry and 7 years to 3 years in the case of paper industry, and pointed out that this would result in uncertainty and apprehension as regards the future course of protection to the industries concerned and would defeat the very object underlying the policy of protection. In the end the Committee emphasised that Tariff Board was a quasi judicial independent body appointed by the Government and played important part in the industrial development of the country and it was highly objectionable to criticise the findings of such a Tribunal in the manner in which it was done by the Government as it was calculated to influence the judgment of the future Tariff Boards.

On the 5th April 1939 the Committee addressed a telegram and a letter to the Government of India in connection with the Tariff Board Report on the Paper Industry and the Resolution of the Government thereon, regretting that the Government should have removed the surcharge of three pies per lb. in the last June thus reducing the protection from Rs. 175/- to Rs. 140/- per ton and that the Tariff Board should have recommended its reduction to 11 pies per lb. and that the Government of India should have decided to reduce it still further to 9 pies per lb. *i.e.* Rs. 105/- per ton. The Committee stated that in 1931 Tariff Board had fixed the fair selling price for Indian paper at Rs. 481/- per ton while the present Tariff Board fixed it at Rs. 381/- only, which they felt was much less. The Committee also did not agree with the figures of capitalisation and works cost arrived at by the Tariff Board, and expressed surprise that the Government should have further reduced the works cost by Rs. 32/-. The Committee felt that even the protection at 11 pies per lb. recommended by the Board was inadequate and they therefore were much concerned on account of its further reduction to 9 pies per lb. *i e.* Rs. 105/- per ton by the Government. The Committee stated that this reduction would adversely affect the growing paper industry in the country and felt that the original level of protection should be maintained but in any case the same should not be fixed at a rate lower than Rs. 140/- per ton. The Committee also took exception to the Government reducing the

period of protection recommended by the Board from 7 years to 3 years and postponing Enquiry into unprotected varieties for three years instead of undertaking it at the end of 1939 as recommended by the Tariff Board. The Committee felt that this would prolong uncertainty for mills venturing production of unprotected varieties and urged the Government to undertake enquiry not later than the end of 1939. The Committee then referred to the statement of the Board that the Government should take special action to prevent the protective duty from being ineffective, if the price of wood pulp fell below £18 per ton c.i.f. and pointed out that the present price for cheaper quality had already fallen to £17/10/-.

Proposed changes in the Daily List of Exports.— The Assistant Collector of Customs wrote to the Chamber on the 5th April 1939 stating that the summary of exports of a few important commodities published under the heading "Manifests of Vessels cleared" in the Daily List of Exports from time to time seemed to be redundant as the details of all shipments arranged according to the vessel and the port of destination were already published in full in the weekly "Detailed List of Manifests of Vessels" much earlier. It was, therefore, proposed to discontinue publishing the summary in the Daily List of Exports. The Assistant Collector had enquired if the Chamber had any objection to this proposal.

The Committee replied on the 22nd April 1939 pointing out that although the summary in the Daily List was published long after the clearance of vessels, it was nevertheless useful for reference to those merchants who subscribed only to the Daily List. If the publication of the summary in the Daily List, it was further pointed out, was discontinued the merchants would be required to subscribe to the weekly "Detailed List of Manifests of Vessels" in addition to the Daily List and in view of the fact that the subscription of the Weekly List was Rs. 300/- per annum, this would mean a considerable burden to the merchants. The Committee were, therefore, not in favour of the proposal to discontinue publishing the summary of Manifests of Vessels cleared in the Daily List.

Import Duty on Cryolite.—At the instance of Messrs. Aluminium Corporation of India, the Committee wrote to the Government of India on the 24th April 1939 pointing out that Cryolite was an important ingredient in the manufacture of Aluminium and in view of the large possibilities of the development of the Aluminium industry in the country, Cryolite should be exempted from payment of import duty at least for a few years so that the industry may be enabled to stabilise itself. The Government of India replied on the 27th July 1939 stating that a Notification was issued on the 24th June 1939 exempting Cryolite from payment of import duty as desired by the Chamber.

Procedure of Weighment of Cargo.—At the instance of Messrs. C. A. Mohamad & Co., the Committee wrote to the Collector of Customs on the 17th May 1939 stating that they understood that the procedure of assessing duties on weighment of a certain percentage of the consignment and allowing the goods to be cleared on weighment of such percentage had been altered and a new method adopted of weighing the whole consignment for payment of import duty. The Committee pointed out that this procedure put the merchants to great inconvenience as not only the clearance of the consignment was delayed and the merchants had to pay additional Port Commissioner's charges but they also lost their business. The Committee inquired about the reasons that necessitated this change.

The Collector of Customs replied on the 29th May 1939 stating that when a declaration of weight was made in the Bill of Entry, it was not necessary for the importer, unless he desired, to have the consignment weighed in full. A percentage weighment was made to check the declaration but the importer had the option of demanding full weighment. The intention behind the new procedure, according to him, was to prevent laxity in respect of the requirement of Section 29 of the Sea Customs Act under which a true declaration of quantity must be subscribed by the importer in the Bill of Entry.

In reply to Chamber's letter of 30th May 1939 inquiring about the details of the revised arrangements, the Collector of Customs

further wrote on the 15th June 1939 stating that according to the practice previously followed, the importer was not called upon to declare the weight in the first instance of weighment cargo from the Far East but a percentage of the consignment was weighed and on that basis the total weight calculated This calculated weight was then declared and assessment made thereon. He further explained that the present practice was to insist upon a declaration in the Bill of Entry of the weight of the consignment supported by the documents whenever necessary. This normal procedure followed for other cargoes had been introduced for weighment cargoes from the Far East. A check weighment was made to verify the declaration, which if within the percentage of tolerance allowed, formed the basis of assessment.

As Messrs. C. A Mohamad & Co. further pointed out that on account of the inadequate staff with the Customs authorities, the percentage check was also delayed, the Secretary of the Chamber saw the Collector of Customs in the matter. The latter agreed that some inconvenience was felt during the period of transition but he thought that the system was running smoothly now.

Amendment of Northern India Sugar and Matches (Excise Duty) Orders, 1938.—It was stated on page 28 of the Annual Report last year that the Committee had some correspondence with the Government of India on the subject of power of arrest vested in Excise Officers by the amendments of the Northern India Sugar and Matches (Excise Duty) Orders, 1938 and that the Committee had also addressed a letter on the 6th December 1938 to the Federation of Indian Chambers of Commerce drawing their attention to the matter.

The Federation replied on the 6th May 1939 forwarding a copy of the letter received by them from the Government of India in this connection. The Government of India had stated that the power to arrest adequately safeguarded against abuse because the Notification dated the 10th September 1938 amending the Orders also required that the arrested person should be produced forthwith before the nearest Magistrate. With regard to Government's

failure to consult trade interests in the matter, they added that there was no provision in the Excise Duty Acts requiring previous publication of the Rules made under the Acts, similar to the sub-section 4 of Section 59 of the Income-tax Act and that trade interests concerned were consulted in connection with the Rules made under the Excise Duty Acts whenever it was considered necessary.

Assessment of Piece-goods on Market Value Basis. —The Collector of Customs wrote to the Chamber on the 2nd May 1939 stating that in view of the difficulty of ascertaining the market value of certain classes of cotton manufactures, like Cotton Twist and yarn, chintz, dhoties, satins, poplins, shirtings etc., at present assessed to duty under Section 30(*a*) of the Sea Customs Act on market value basis, it had been suggested that all classes of which the wholesale cash price was not readily ascertainable owing to the absence of a continuous market or other reasons, should be removed from the list and assessed under Section 30(*b*) *i.e.*, on the basis of "the cost at which goods of the like kind and quality could be delivered at such place". The Collector of Customs invited suggestions as to the items which could be removed from the present list. He also inquired whether assessment could be facilitated in respect of any class of goods if differentiation could be made between different brands and numbers of the same class and some brands being kept on the list and some being removed.

The Secretary of the Chamber discussed the matter when he met the Collector of Customs. The list was revised and certain unimportant items and items relating to seasonal imports were removed from the existing list, for assessment under Section 30(*b*). The Collector of Customs said that his idea was to try this change for some time and if any difficulties were experienced by the trade, modifications could be made.

Supply of Quotations of Market Value of Piece-goods.—The Collector of Customs wrote to the Chamber on the 4th May 1939 inquiring if it would be possible for the Chamber to furnish at weekly intervals or if possible more frequently, quota-

tions of market values of certain classes of piece-goods in order to assist the customs appraisers to ascertain correct market value for purposes of assessment. It was further stated that those Chambers which agreed to co-operate in the matter would be supplied with printed lists containing particulars of the various lines of piece-goods for which there was a continuous market with blank columns to be filled in and returned.

The matter is receiving attention.

Uneconomic Competition by Foreign Starch Manufacturers.—On the 5th May 1939, the Committee addressed a telegram to the Government of India inviting attention to the abnormal price-cutting in Indian market by foreign starch suppliers amounting to unfair competition. The Committee further pointed out that foreign suppliers were selling starch at prices which hardly covered the cost of raw materials in India. The Committee urged the Government to take immediate action to prevent this uneconomic competition in the interests of the newly started Indian starch industry. On the 11th May 1939, the Committee addressed a comprehensive communication to the Government on the subject. It was stated that starch was used in the process of manufacture of various important industries like textile, paper, pharmaceutical and toilet preparations, manufacture of adhesives, confectionary etc. and that over 50 lacs rupees worth of starch was imported and consumed per year within the country. With abundant raw material, adequate supply of labour and an assured market, all the circumstances necessary for the development of the industry obtained within the country, but, the Committee pointed out, the foreign interests who were Non-British and who had so far been monopolising the Indian market had started a serious rate cutting simultaneously with the establishment of Indian factories, which was proving a great handicap to the latter. The Committee traced out the decline of prices of starch in India and further stated that the existing price of foreign starch at Indian ports hardly covered even the cost of raw material after allowing for other necessary expenditure like selling commission, transport etc. The Committee gave figures to show that the fair selling price of Indian starch would

not be less than Rs. 8/8/- per cwt at present when the price of maize was about Rs. 3/2/- per cwt. and they stated that if adequate steps were not taken by the Government to prevent dumping by foreign starch suppliers, the newly started Indian industry might have to close down. It was further pointed out that any setback to the growing starch industry would be detrimental to the interests of not only those actually engaged in the manufacture of starch but also of the large number of producers of the raw material namely maize and the consumers of starch. The Committee urged the Government to levy in addition to the existing import duty of 15% *ad valorem*, a specific anti-dumping duty of Rs. 2/- per cwt. on the import of foreign starch.

The Committee also addressed letters to the Governments of U. P. and Bihar on the subject. On the 31st May 1939, the Committee addressed a further letter to the Government of India stating that the rate-cutting had already made one factory to curtail most of its production and if the Government could not take the necessary steps without placing the matter before the Legislature, they should introduce the measure as soon as the legislature next meet. The Committee stated that as a strong case was already made out for anti-dumping duty and enquiry by the Tariff Board might be dispensed with at this stage to avoid delay. In case, however, it was felt that such an inquiry was necessary, a Board might be constituted at once and asked to submit its report or at least an interim Report in good time to enable the Government to introduce legislation when the Assembly met for the next Autumn Session. The Committee further wrote to the Government on the 10th July 1939 giving particulars about the various starch factories in the country and pointing out how they were affected by the dumping. The Committee stated that unless steps were taken by the Government to protect the industry, even the existing factories would have to close down on account of the uneconomic prices brought about by the foreign starch suppliers.

Export Subsidies to Lancashire Goods.—On the 10th May 1939, the Committee addressed a telegram to the Government of India inviting attention to a press report of the 9th May regard-

ing meeting of Lancashire textile manufacturers' Deputation with Mr. Oliver Stanley, President, Board of Trade and to the imminent possibility of the U. K. Government subsidising Lancashire exports. The Committee pointed out that such a subsidy was bound to be a further blow to the Indian textile industry. The Committee inquired as to what action the Government of India proposed to take for safeguarding Indian textile interests.

The Government of India replied on the 25th May 1939 that enquiries were being made in the matter and the result would be communicated to the Chamber.

The Government of India further wrote to the Chamber on the 21st August 1939 stating that enquiries had shown that no subsidies have been given to the Cotton Industry in the United Kingdom so far.

Renewal of the Indo-Japanese Trade Convention and Protocol, 1937.—On the 30th March 1939, the Government of Bengal wrote to the Chamber that the Convention and Protocol regarding the commercial relations between India and Japan signed in 1937 would, subject to due notice of denunciation, cease to be effective after the 31st March 1940. As the Government of India had under consideration the desirability of renewing the Convention and Protocol either as they stood or in a modified form or of negotiating an entirely new agreement, the views of Chamber as to the lines on which modification or amendment appeared to be desirable in the light of the experience of the existing Agreement were invited.

The Committee submitted their views in a detailed communication addressed to the Government on the 16th May 1939. The Committee pointed out that any trade agreement that might be concluded with Japan should not be confined merely to the question of the exchange of cotton and cotton piece-goods but should include within its scope not only the total trade but also other important questions relating to trade and general relationship between the two countries. The Committee also stated that the absence of any

definite policy hitherto followed by the Government to encourage Indian exports of either produce or of manufactured articles was reflected in the fact that except raw cotton which Japan needed to a certain extent to keep her textile industry going on, the exports of other goods to Japan had not been more than Rs. 3 to 4 crores per annum as against the total average exports during the three years from 1935-36 to 1937-38 of about Rs. 23 crores. The large favourable balance of trade which India used to have during the pre-war and even the post-war years upto 1929-30 had slowly diminished during the last decade. The Committee stressed the necessity of the Government pursuing an active policy of fostering the development of India's export trade for example by concluding comprehensive trade agreements with foreign countries in the interests of the producers of agricultural commodities as also in the interests of balancing India's economy.

The Committee further pointed out that striking feature of the import trade from Japan was that apart from a substantial quantity of piece-goods, the major portion of the imports from Japan belonged to the category of "miscellaneous" articles. It was known that India's markets were literally flooded by cheap manufactured articles of Japanese origin and the miscellaneous imports had seriously hit India's minor industries. The Committee referred to the suspension of the Enquiry into the position of minor industries and the repeated requests made by the Chamber for resumption of the Enquiry. The Committee regretted that the attitude of the Government in the matter was throughout dilatory and they emphasised that during the course of the impending negotiations, the interests of the small industries should be adequately safeguarded.

The Committee also referred to the question of shipping engaged in the Indo-Japanese Trade. The Committee gave various instances and stated that the principle of assistance to national shipping by the use of trade agreements on the basis of purchasing power and market had been generally recognised. The Committee emphasised that the bargaining power of India on the basis of India's market should be utilised for the purpose of

securing expansion and development of Indian shipping in the sphere of India's Overseas trade. The Committee referred to the acceptance by the Government of the principle that "India's bargaining power should be used for the furtherance of Indian interests" and stated that it was essential that provision should be made in the new Indo-Japanese Trade Agreement for the participation of Indian shipping in the Indo-Japanese maritime trade. The Committee suggested that some of the measures outlined in the Report of the Imperial Shipping Committee to help British Shipping could be adopted, to assist Indian shipping to participate in this trade. The Committee believed that the prerequisite of any such arrangement however, was a genuine and unqualified recognition of the legitimacy of the Indian demand for participation in this traffic and a complete reversal in the attitude of British shipping towards such expansion of the shipping of a fellow member of the British Commonwealth without whose co-operation it would not be possible for British shipping to meet the threat of Japanese competition. The Committee also referred to the intrusion of Japanese shipping in the coastal trade of India and stated that a specific stipulation should be made in the New Agreement precluding Japanese shipping from participating in the Indian coastal traffic.

Regarding the trade in cotton and cotton manufactures which was the subject matter of the present Protocol the Committee stated that in reviewing the same, it should be borne in mind that the period during which it had worked had not been one of normal trade activities on account of the Sino-Japanese hostilities and hence the figures of trade between the two countries could not be taken to give a true picture of the working of the present Agreement. The Committee pointed out that while the imports of piecegoods into India maintained a high level above the basic quota, the offtake of raw cotton by Japan had been progressively falling. The Committee further drew attention to the necessity of reducing the basic quota of imports of Japanese piecegoods in view of the increased Indian mill production and the handicap placed in the way of the indigenous textile industry by the Indo-British Trade Agreement making available a larger market for

Lancashire goods. The Committee further suggested that the quota should be fixed on the basis of square yardage and not linear yardage as at present. The Committee also made suggestions about the imports of different kinds of piecegoods from Japan and pointed out the necessity of raising the rates of import duty on piecegoods and yarn from Japan in relation to the reduction of effective protection to the Indian textile industry by additional taxation, increase in wages and doubling of import duty on raw cotton. The Committee also pointed out that the stipulation about the export of raw cotton should be related to the total import trade with Japan and not only to import of piecegoods which formed only a portion of Japan's total imports into India

The Committee further requested the Government to see that the provisions of the New Agreement were not circumvented by Japan exporting merchandise to India from such places in China as were under her control.

Question of nominating a representative of Indian Shipping as Non-Official Adviser in connection with the Indo-Japanese Trade Negotiations.—On the 15th July 1939 the Committee addressed a telegram to the Government of India pointing out that Indian Shipping was principally concerned in the question of participation of shipping in Indo-Japanese Maritime Trade and was vitally interested in these Trade Negotiations and the Government should therefore nominate a representative of Indian Shipping as non-official Adviser in consultation with the Indian National Steam-ship Owners' Association especially as British Shipping was represented at the Negotiations through the Associated Chambers of Commerce.

Imports of yarn from Japan.—At the instance of Mr. D. P. Khaitan, the Committee addressed a letter on the 2nd December, 1939 to the Government of India drawing attention to the heavy imports of cotton twist and yarn from Japan and the adverse effect it had on the indigenous textile industry. The Committee pointed out that whereas India imported 2.5 million lbs.

and 1.7 million lbs. of Japanese twist and yarn, in the first quarter of the years 1938-39 and 1937-38, it imported 5.6 million lbs. of the same in the corresponding period of 1939-40. They further pointed out that this increase in imports of yarn had continued in the second quarter of the year 1939-40 in which India imported 7.1 million pounds of Japanese yarn as against 3.3 million pounds and 2.5 million pounds in the second quarters of the years 1938-39 and 1937-38. The Committee pointed out that these heavy imports of Japanese yarn were bound to affect seriously the textile industry of the country and they therefore suggested that the Government of India while negotiating for a fresh Indo-Japanese Trade Agreement should fix a definite quota for imports of Japanese yarn into India The Committee further stressed the necessity of the Government of India taking the unofficial advisers into confidence while the terms of the Protocol to the Indo-Japanese Trade Convention were being discussed. The Committee pointed out that both the cultivators and the textile industry were interested in the terms of the protocol and it would be advisable if the Government consulted the unofficial advisers before any agreement on the subject was arrived at.

Off-take of Indian cotton by United Kingdom.—At the instance of Mr. L. N. Birla the Committee addressed a telegram to the Government of India on the 25th November 1939 urging them to represent to the Home Authorities to arrange for taking larger quantities of Indian cotton than stipulated in the Indo-British Trade Agreement, in view of the fall in exports of Indian cotton to the continental markets. The Committee pointed out that the British Government had announced their intention of purchasing the whole of the Egyptian cotton crop this year, and if larger quantities of cotton were taken also from India, it would prove a great help to Indian agriculturists. The Committee further stated that such a measure was highly essential in view of the fact that war conditions had restricted the exportable cloth in the United Kingdom which under the Indo-British Trade Agreement was linked with the off-take of Indian cotton.

Refund or Renewal of adhesive stamps.—The Collector of Customs wrote to the Chamber on the 8th December, 1939

pointing out that under Rule 2 of the Government Orders in the Stamp Manual refund or renewal of adhesive stamps such as share-transfer stamps was admissible only under sections 52 and 54 of the Indian Stamp Act. He stated that refund or renewal of such stamps was not admissible under the Act if they should have been cancelled or otherwise spoilt and made useless. He added that the Board of Revenue had to deal with several such inadmissible applications for refund and the Board had directed him to bring the matter to the attention of the Chamber. The Committee circulated the matter to members of the Chamber.

Consultations between the Government of India and the Representatives of the Government of Burma regarding the Indo-Burma Trade Agreement.—Learning that the Government of India were discussing with the Representatives of the Government of Burma the question of Indo-Burma Trade Agreement, the Committee addressed a telegram to the Government of India on the 17th July 1939 stating that while they welcomed this consultation they would emphasise that no final decision should be reached by the Government regarding any modifications in the terms of the Agreement without prior and full consultation with the Indian Commercial Community. The Committee also urged the Government of India to publish immediately after consultation with the Burma Representatives full particulars of the proposals discussed between the two Governments.

Assessment of Customs duty on Electrical Bulbs.—Messrs. Devadutt Saraogi & Sons wrote to the Chamber on the 2nd August 1939 that the Customs duty on Holland, Japan and Belgian Electrical goods was being levied in Bombay, Karachi and Madras on the invoice value whereas the duty was assessed in Calcutta on the market value. They stated that dealers were put to unnecessary inconvenience on account of this practice as they had to produce their Books before the Customs Authorities. The Committee thereupon wrote to the Collectors of Customs, Madras, Bombay and Karachi on the 15th August 1939 inquiring about the matter. Replies were received from

them which indicated that there was a Ring or Association of certain foreign firms manufacturing electrical goods such as Messrs. Phillips, Siemens, G.E.C., A.E.I., etc., and electrical bulbs manufactured by the Ring Firms were assessed on their market value at all the three Ports while bulbs of all other makes were assessable to duty on their invoice value. The Committee thereupon wrote a letter on the 19th September 1939 to the Collector of Customs, Calcutta inquiring as to the practice prevalent in Calcutta and whether any such distinction between the Ring bulbs and other bulbs was also made at this Port. The Collector of Customs replied on the 2nd October 1939 stating that electric lighting bulbs for which a wholesale market value was available, were assessed at Calcutta under Section 30(*a*) of the Sea Customs Act. He also added that no distinction was made between bulbs manufactured by firms composing the Ring and those manufactured by others and that the price-list followed by the Ring was ordinarily accepted subject to usual check.

Classification of Sago Flour.—The question of increasing imports of sago flour free of duty into the country was discussed at one of the Committee Meetings at the instance of Mr. L. N. Birla. Mr. K. L. Jatia had also written to the Chamber enclosing a copy of the memorandum submitted to the Government of India by the Calcutta Flour Mills Association in this connection. The Committee were in favour of imposition of duty on imported sago flour and that the same be classified under starch in the Import Tariff.

Assessment of import duty on goods.—The Marwari Chamber of Commerce wrote to the Chamber on the 27th October, 1939 enclosing a copy of the Judgment of the Calcutta High Court in a case against the Collector of Customs. The facts of the case were that consignment of felt caps, silk haber-dashery, hardware, saddlery, pipes and wooden beams was received and the duty according to the declared value was deposited with the Customs in advance. When the goods were opened the Customs Authorities found that 166 packets of cotton cord were not declared and the goods that were declared as silk tassels in the

invoice and silk haber-dashery in the Bill of entry were in fact silk scarves. The Customs Authorities thereupon detained the goods and re-assessed them by adding 50 per cent. on each item of the value declared and a penalty of Rs. 5 was also imposed. The High Court found that the action of the Customs Authorities in making penal assessment, that is, increasing the duty by 50 per cent. was not warranted by any provisions of the Sea Customs Act. The Customs, according to the High Court, could confiscate or could impose penalty under section 167 of Sea Customs Act. If there were any *ad valorem* goods, the Customs could proceed under sections 30 and 32, that is, ascertain the real values and if the duty chargeable was more than what would be paid on declared values they might detain the goods and after giving due notice to the importer, either accept the duty chargeable according to the importer on the declared value or take over the goods for the use of the Government and pay the importer an amount equal to the declared value. According to the High Court, if the goods were Tariff valued goods, the Customs should proceed by way of normal assessment.

The Marwari Chamber of Commerce stated that the application of section 87 instead of section 32 by the Customs Authorities in assessing the goods had proved greatly detrimental to the import trade of the port of Calcutta. The matter is receiving attention.

Assessment of certain varieties of piece-goods on Market Value Basis.—The Marwari Chamber of Commerce wrote to the Chamber on the 25th October, 1939 requesting the Chamber's support to a representation they had made to the Collector of Customs in connection with the assessment of goods of assorted designs and colours. They had pointed out that as there was no continuous market for these kinds of piece-goods and as the number of designs was very large, it was impossible to assess the correct market value of these sorts of piece-goods. It was therefore suggested that printed jeans, poplins and shirtings (printed, striped and cheque) should be assessed to duty on invoice value instead of on market value.

The Committee considered the matter but they felt that as the textile industry was a protected one, it was desirable that imported piece-goods were charged on their market values instead of on invoice values as far as possible They informed the Collector of Customs about their views in the matter on the 2nd December, 1939.

Customs Duty on Jaggery.—At the instance of the Burma Indian Chamber of Commerce, the Committee addressed a letter on the 29th August 1939 to the Collector of Customs, Calcutta, pointing out that a duty was levied on jaggery imported from Burma though the article was not liable to duty either in India or in Burma. As no Excise duty was leviable on jaggery in Burma, the Committee requested to be enlightened about the true position in the matter. The Collector of Customs replied on the 11th October 1939 stating that the question of correct assessment of jaggery was under consideration and a reference had been made to the other Ports. Meanwhile, he stated, it was proposed to assess the goods 'molasses' under item 17(1) of the Indian Customs Tariff, which would not involve the levy of Excise duty on these goods coming from Burma. The Collector of Customs added that a further communication would be sent to the Chamber when the matter was finally decided. The Burma Indian Chamber of Commerce was informed accordingly.

Proposed changes in the Tariff Classification of certain articles.—The Director General of Commercial Intelligence and Statistics wrote to the Chamber on the 15th August 1939 forwarding a statement showing certain additions and alterations proposed in the existing Tariff Value heads. It was stated that the same would be considered at the time of the annual revision. The Chamber's views on the subject were requested. The amendments related to Chillies, Dates, Calcium Carbide, Poster-paper and Aluminium sheets. Interested members were consulted in the matter and the Committee replied on the 19th September 1939 pointing out that they had no objection to assigning tariff values to Poppy seeds and sub-dividing different kinds of nails under different heads. Regarding Aluminium

sheets, however, the Committee pointed out that the alteration seemed to be proposed under the impression that Aluminium sheets polished, imported for manufacturing motor vehicle bodies were different from Aluminium sheets plain. It was stated, that the latter sheets, however, which were not polished were the very sheets supplied and used by motor vehicle body-builders and that in fact no polished aluminium sheets were imported or used by motor vehicle body-builders Trade in India. Lithographic plates for printing were not aluminium sheets polished, though they were costlier than the plain aluminium sheets because of the requirements of a fine surface free from defect but plates for printing were imported in negligible quantities and there was no reason for assessing them *ad valorem*. The Committee therefore were not in favour of the proposed amendment.

Import duty on Bakelite Moulding Powder.—At the instance of Messrs. Anandram Gajadhar, the Committee addressed a letter on the 19th September, 1939 to the Government of India suggesting that bakelite moulding powder should be exempted from import duty as it was an important ingredient in the manufacture of bakelite articles and the industry would be greatly helped by such an exemption. The Government of India replied on the 9th October 1939 stating that the matter had been given careful consideration but they were unable to accede to the request of the Chamber to exempt bakelite moulding powder from import duty. The Committee thereupon addressed a further letter to the Government of India on the 11th November 1939 pointing out that the bakelite manufacturing industry had only been recently established in the country and there was a large scope and market in the country for bakelite electrical accessories and other goods for domestic requirements. The Committee believed that if the Government of India exempted bakelite moulding powder from import duty at present the industry would receive an impetus and would soon be firmly established in the country. In view of the importance of the industry in the economy of the country, the Committee requested the Government to reconsider their decision in the matter. A reply from the Government is awaited.

Protection to Packing and Wrapping Paper.— On the 19th July 1939, the Committee addressed a detailed communication to the Government of India emphasising the necessity of adequate protection to the manufacture of packing and wrapping paper and other machine glazed paper. The Committee pointed out that the manufacture of paper in India had been till now confined mainly to the protected varieties of paper and recently one Indian Mill had started manufacture of wrapping paper. The manufacture of this kind of paper, the Committee stated, fulfilled all the requirements for the grant of protection. There was an abundant supply of bamboo which was the principal raw material for this industry and experiments conducted at Dehra-Dun and other places had testified to the encouraging results obtained in manufacturing kraft paper from bamboo. Moreover, there was a large market for this kind of paper in the country for India imports about 8250 tons of kraft paper apart from other kinds of packing and wrapping paper. If the manufacture of this variety of paper was granted adequate protection, the Committee believed that the industry would in course of time be able to survive without aid of protection. The Committee stated that the question was considered by the various Tariff Boards but as no Indian Mill had started production of this kind of paper till then the Boards could not recommend extension of protection to packing and wrapping paper. The Committee also referred to the recommendation of the 1938 Tariff Board that the prospects of manufacture of kraft paper in India were sufficiently promising to justify a further enquiry when the new Mill had obtained sufficiently long experience of manufacturing this kind of paper to be able to present figures of the cost of production and to demonstrate that the quality was satisfactory. This enquiry was according to the Board very essential and they suggested that it should be held towards the end of the year 1939, but the Committee regretted that the Government of India had however postponed such an enquiry.

The Committee further pointed out that the fair selling prices for these varieties of paper estimated by the Tariff Board was Rs. 389/- per ton but in the absence of protection, the Indian

Mill had to sell its production at Rs. 280/- per ton in competition with imported kraft. The Committee also pointed out how the prices of imported kraft had successively gone down since the Indian Mill commenced manufacture of this kind of paper. The Committee emphasised the necessity of diversification of manufacture of paper in India which had also been stressed by the Tariff Board. Concentration of production on printing and writing paper was according to the Committee not a healthy development. They pointed out that unprotected varieties of paper formed by far a very large part of the imports of paper into India and taking into consideration the Indian production of paper, it was evident that there was an extensive scope for the development of the industry in the manufacture of unprotected varieties. The Committee requested the Government to take early steps to grant adequate protection to packing and wrapping paper as also to all machine glazed paper, not only in the interest of the Mill or Mills producing this particular variety but also in the interests of the whole industry as at present production of paper in India was mostly confined to certain specific varieties.

Restriction on the export of Raw Wool.—At the instance of the Karachi Indian Merchants Association, the Committee addressed a letter on the 11th October 1939 to the Central Board of Revenue referring to the prohibition imposed by the Government on the exports of raw wool. The Committee stated that the Government of India had notified that no exports were allowed except under licence granted for the same and licences were usually given to those shippers who on the yearly average of the last three years had shipped five lacs pounds of raw wool. The Committee pointed out that there were two systems of exporting wool from India, that is, wool was exported to U.S.A. generally in the name of the shipper while wool to United Kingdom was exported in the name of the exporting House which was generally an agent or a member of the Liverpool Wool Association. The Committee stated that it would be obviously difficult for the shipper therefore to reach the limit mentioned in the Notification and the limit of five lacs would rather operate in favour of certain big exporting Houses to the detriment of the Indian exporters.

The Committee also mentioned that Indian wool was not generally used for manufacturing woollen cloth and they could not appreciate the reason why the Government of India had imposed a prohibition on exports of wool. The Committee also suggested that the Government should not exclude goats-hair from calculating the average of the exports of raw wool.

The Government of India replied on the 24th October, 1939, stating that fresh instructions about export of wool had been issued and if any further information was required in this connection the Chamber should obtain it from the Collector of Customs, Calcutta. The Committee, thereupon, addressed a letter on the 26th October, 1939 to the Collector of Customs, Calcutta enquiring in the matter. The latter replied on the 17th November, 1939 stating that licences for export of Raw wool other than black, grey, fawn, brown and red-brown would be issued to any shipper who had shipped raw wool from Calcutta at any time during the three years ending 31st, March, 1939, in any quantity however small. The quantities which might be licensed would further be restricted to the annual average amount of wool other than black, grey, fawn, brown and red-brown, exported from Calcutta by each such shipper to all destinations during the said period or in the case of shippers who began business after the 1st April, 1936, during a period between the date of the first shipment and the 31st March, 1939. The Collector of Customs further stated that as the records of past shipments would not distinguish between prohibited categories of raw wool and other qualities, 75% of the total recorded exports of raw wool would be taken to represent the exports of other quantities. He added that the amount which might be shipped between 1st October, 1939 and 31st March 1940 would be half of the annual average. He also stated that the instructions issued by the Government of India might be further modified. In continuation of this letter the Collector of Customs sent a memo. on the 28th November, 1939 giving further information on the subject. He stated that in case of wool, raw, Tibetan, licences for export to countries other than the neutral countries in Europe would be freely issued and that licences for export to the neutral countries in Europe would be issued on a monthly basis and according to the

export quotas worked out for that month, country by country and shipper by shipper. Regarding wool other than Tibetan, licences for export to the United Kingdom would be freely issued but licences for export to countries other than neutral countries in Europe would be issued only in cases where such permission was sought to implement firm contracts made before the 8th September, 1939. The information was forwarded to the Karachi Indian Merchants Association at whose instance the matter was taken up.

Customs duty on certain variety of Manila Fibre.—At the instance of Messrs. Soorajmull Nagarmull, the Committee addressed a letter on the 11th October 1939 to the Central Board of Revenue stating that their attention had been drawn to the fact that a certain fibre known as CMR3 and MMR3 imported from Manila, which was classed under Hemp till now and assessed to import duty of 18¾ percent was now assessed by the Customs Authorities under aloe-fibre, the duty on which was 30 per cent. The Committee pointed out that the species of these two fibres were entirely different from aloe-fibre and there was nothing common between the two fibres as far as their use for all practical purposes was concerned. The Committee also stated that this imported fibre was used for manufacturing ropes and these ropes commanded a large market in the country because of the cheap price at which they were selling. If the import duty was however, enhanced to 30 per cent the industry would not be able to face the keen competition from Japan in this field and would be forced to close down. The Committee therefore suggested that CMR3 and MMR3 fibres imported from Manila should be classed under Hemp as was done till now or be assessed separately to duty at the previous level of 18¾ percent. A reply from the Central Board of Revenue is awaited.

PUBLIC AFFAIRS.

Obstruction caused by Police to business men carrying on bona fide activities at the Gunny Market.—This subject has a reference on page 65 of the last

Annual Report. On the 14th December 1938 the Committee addressed a further letter to the Commissioner of Police pointing out that people going to the Gunny market for *bona fide* business purposes were even arrested by the constables there. The Committee also quoted an instance in this connection in which a representative of a firm of Gunny brokers, was arrested by the Police on duty and put up for trial. The Committee suggested that in order to remove this grievance, badges given either by the Indian Chamber or by the Gunny Trades Association should be recognised by the Police and persons putting on the same should not be unnecessarily molested. The Deputy Commissioner of Police replied on the 17th January 1939 stating that the representative of the firm referred to was arrested for road obstruction, as he was found speculating on the road. It was subsequently learnt that the case instituted by the Police had been withdrawn and the Committee therefore recorded the matter.

Sale Depot of the Government of India publications at Calcutta.—It was recorded on page 69 of the last Annual Report that the Committee had addressed a letter to the Government of India urging upon them to abandon the proposal of closing down or shifting the sale depot at No. 8, Hastings Street, Calcutta. As the Committee received a complaint from Messrs. Babulal & Co., Ltd., that they were experiencing difficulties in obtaining copies of the Government of India Gazette and other publications from the Depot, the Committee addressed a letter on the 21st March 1939 to the Government of India stating that the persons intending to purchase the Government publications were put to great difficulty, as on several occasions, the publications were not available. The Committee therefore requested the Government of India to kindly arrange for sufficient number of copies of the Gazette and other publications to be kept at the Depot. The Government of India replied on the 6th May 1939 stating that while sufficient number of copies were kept at the Depot, occasions did arise when the estimated number of copies of the Gazette of India containing notifications or bills of exceptional importance, fell short and some delay was inevitable as more copies had to be printed. The Government of India suggested that the Chamber

could help in avoiding delay if orders for extra copies of the Gazette were booked in advance to enable the Central Publication Branch to include them in its estimate.

Testing Stations for Motor Vehicles.—This subject has a reference on page 70 of the last Annual Report. On the 7th March 1939 the Automobile Association of Bengal forwarded a copy of the memorandum which was proposed to be sent on behalf of several organisations including the Bengal National, Indian, Bengal, Marwari and Muslim Chambers of Commerce, Automobile Association of Bengal, Calcutta Trades Association, Indian Road and Transport Association, and the Motor Industries Association. The memorandum referred to the necessity of having a testing station for detecting defects of motor vehicles, as under the Motor Vehicles Act, 1938 provision was made for insurance of vehicles in sound mechanical conditions. It was pointed out that Motor Vehicles contributed Rs. 9 lakhs annually to the Provincial Government directly and Rs. 13 lakhs indirectly through the Road Fund and Government of Bengal were urged to establish at once a testing station, which was likely to cost about Rs. 8,000. The Memorandum was duly approved by the Committee and signed on behalf of the Chamber.

Restrictions on through Indian Passengers in landing at Manilla Port.—The Committee received a letter dated the 7th February 1939 from the Indian Chamber of Commerce, Japan forwarding a copy of their letter dated the 6th February 1939 addressed to the Chief of the Immigration Department, Manilla in regard to the restrictions imposed upon Indians travelling between India and Japan, in landing at Manilla Port. The Indian Chamber of Japan referred to the relevant rule which provided that no Indians and Chinese be allowed on the shore and they strongly urged the Immigration Department for modifying the rule so that Indians might be allowed to land at Manilla Port while the steamer was in the port. Our Chamber was requested to take up this matter. The Committee therefore addressed a letter on the 7th March 1939 to the Consul General for the U. S. A. in Calcutta inquiring about the exact position, who replied stating that other

than the usual passport and visa requirements there was no bar which should prevent Indians or Chinese as such from landing in Manilla. The Consul General requested the Chamber to refer to the British Consul at Manilla for further particulars.

The Committee therefore, addressed a letter on the 11th March 1939 to His Brittanic Majesty's Consul General, Manilla describing unpleasant experiences that Indians travelling between Japan and India had on account of their being not allowed to go on shore even for a couple of hours, whereas people of other nationalities were freely allowed to land. The Committee enquired whether there was any discriminatory rule prohibiting the landing of Indians and Chinese in Manilla even for temporary visit. The British Consul General replied on the 27th March 1939 forwarding copies of the correspondence he had with the Indian Chamber of Japan and Manilla Merchants Association, in which it was explained that the situation had been remedied and transient Indians were permitted to land provided they were 1st or 2nd class passengers. It was further stated that in cases where cash bonds were required by the Phillipine Immigration Authorities it had been arranged that the guarantee of the Bombay Merchants Association, Manilla would be accepted and it was therefore advisable to inform the president of that Association in advance of the name of any Indian merchant who intended to pass through Manilla together with approximate date of arrival and the name of the vessel. The Indian Chamber of Japan addressed a further letter to this Chamber on the 29th March 1939 stating that the real fact was that the Phillipine Government did not want further immigration of Indians into the Island, there being 17 Sindhi firms in the Island already and the Government were still discriminating against Indians, as they demanded a big deposit of Rs. 3,000, or a bond from a responsible person resident in Manilla where as no such bond or deposit was required from other nationalities. It was further stated that arrangement about the bond to be given by the Bombay Merchants Association, (Manilla) was not satisfactory as several details were to be supplied in advance and particularly as the Association in question was purely a Sindhi Merchants Association, the non-Sindhi passengers experienced difficulties in visiting Manilla.

Our Chamber was therefore requested to take up the matter with the Government of India. The Committee therefore again wrote a letter to His Brittanic Majesty's Consul General on 22nd April 1939 enquiring as to why cash deposits or bonds were required from Indians only and requesting for a copy of the Regulations regarding immigration in Manilla.

The Committee also addressed a letter to the Government of India on the 22nd April 1939 inviting their attention to the difficulties and also referring to the correspondence that the Chamber had with the Consul General for U. S. A and His Brittanic Majesty's Consul General in Manilla The Committee stated that they were not aware as to why the restrictions about the deposit or bonds be placed on Indians particularly and not on other nationalities and they requested the Government of India to take up the matter with the Phillipine Authorities in order to have such discrimination removed The Government of India replied on the 11th May 1939 stating that his Majesty's Government had been asked to make enquiries regarding the complaints and to take such action as might be necessary and possible to ensure that British Indian subjects were not treated with adverse discrimination by the Phillipine Authorities.

The Committee wrote to the Government on the 17th May 1939 stating that they would be pleased to be informed of the reply that might be received from His Majesty's Government The Government of India further wrote to the Chamber on the 13th July 1939 stating that the British Consul General at Manilla reported that he was satisfied that British Indian subjects were not being treated with any discrimination. The Government further pointed out that according to the United States Immigration Act, 1917 which was also the Immigration Law of the Phillipines, natives of most parts of Asia including British India formed the excluded class of which only persons of certain status or occupation were permitted to enter that country. The onus of establishing his status lay on the immigrant and the Phillipine Authorities did not permit landing of any such immigrant until the Board of Enquiry had given its decision pending which he was detained at

the local Immigration Station for a considerable time. It was further stated that owing to reorganisation of the Phillipine Immigration Department much confusion and delay had resulted and for a time the authorities found it difficult to cope with Asiatic through passengers and permit them to land. As a result of the representations made by His Majesty's Consul General at Manilla, the landing privileges had been restored to First and Second class through passengers subject to their *bona fides* being vouched for by the Consulate General or by the Bombay Merchants Association at Manila. The Government of India added that the Phillipine Authorities had recently proposed to the Government of the United States the enactment of an Immigration Law which would remove the restrictions against certain Asiatic races. Moreover the request of His Majesty's Consul General at Manila for revision of all regulations treating British Indian Immigrants with adverse discrimination was said to be under the careful consideration of the Phillipine Government.

Indianisation of services in the Calcutta Port Trust.—On the 22nd February 1939 the Committee addressed a letter to the Chairman, Commissioners for the Port of Calcutta requesting for the information regarding the number of Indians, Anglo-Indians and Europeans (including all non-Indians) in the services of the Port Trust for the last 5 years on posts carrying salaries of over Rs. 500 per mensem. The Committee also enquired about the number of new appointments or recruitments made during the last 5 years and the number of Indians, Anglo-Indians and non-Indians therein. The Chairman of the Commissioners for the Port of Calcutta replied on the 7th March 1939 stating the position about Indians and Europeans as under :—

> In the Secretary's Department there were 5 senior posts of which one was European and 4 Indians. In the Accounts Department the Senior posts were of chief accountant and deputy chief accountant, 5 assistant accountants, 12 inpsectors of accounts and the treasurer, of which the 4 assistant accountants were Anglo-Indians and 1 Indian, while all the inspectors

of accounts and the treasurer were Indians, the remaining being Europeans. In the Traffic Department 4 senior officers were all Europeans with long service. In the Civil Engineering Department the Chief Engineer, the Deputy Chief Engineer and 2 Executive Engineers were Europeans with long service. There were 2 Indian Assistant Executive Engineers and 3 assistant Engineers. In the Electrical Engineering Department the Electrical Engineer and the Assistant Electrical Engineer were Indians. In the River Survey Dapartment, the River Surveyor and the Deputy River Surveyors were Europeans and the 21 Assistant and probationary Assistant Surveyors were all Indians or Anglo-Indians. In the Stores Department the Controller of Stores was an European and the Assistant Controller of Stores an Anglo-Indian.

It was further added that there were sections in which only Europeans were employed because they only had the necessary qualifications. For instance, the Chairman stated, that there were 37 Harbour Masters and a Harbour Master when he joined should be in possession of Master Marine Certificate and many years of sea experience. All these posts were occupied by Europeans, as Indian candidates with necessary training and experience were not available. The Committee again wrote a letter on the 11th April, 1939, thanking the Port Commissioners for the information but pointing out that the same did not give a complete idea of the progress of Indianisation and they enquired of the total number of persons in posts carrying a salary of Rs. 500 per mensem and above as on the 31st December, 1938, or a later date and number of Europeans, Anglo-Indians and Indians forming such total. As the Commissioners for the Port of Calcutta replied on the 18th April, 1939, regretting their inability to supply further particulars, the Committee requested Mr. Faizulla Gangjee representative of the Chamber on the Commissioners for the Port of Calcutta, to get necessary information. Mr. Faizulla Gangjee took up the matter with the

Post Commissioners and informed that the Commissioners had agreed to provide the information.

Appointment of an Agent in Burma.—This subject has a reference on page 62 of the last Annual Report. On learning that Mr. C. A. Henderson, the Agent in Burma was shortly going away and the question of appointing another man would come up before the Government of India again the Committee addressed a letter to the Government of India on the 30th January, 1939, reiterating the necessity of appointing an Indian to this important post in order that the interests of large number of Indian residents in Burma might be effectively safeguarded. The Government of India acknowleged this by their letter dated the 25th February, 1939. As the Government of India had previously replied to the Chamber that the appointment of Mr. C. A. Henderson was made in pursuance of the suggestion of the Government of Madras, the Committee addressed a letter to the Government of Madras on the 31st January, 1939, requesting them to support the suggestion of the Chamber for the appointment of an experienced and able Indian in place of Mr. C. A. Henderson who was going away. The Madras Government acknowledged this by their letter dated the 7th February, 1939.

On the 20th June, 1939, the Committee addressed a telegram to the Government of India regretting the delay in the appointment of the Agent of the Government especially when the Government of Burma had appointed a Commission to enquire into the problems connected with Indian immigration into Burma. The Committee requested the Government to appoint a non-official Indian of experience on this post. As regards the Commission on Immigration the Committee stated that it would be preferable to have Indian and Burman representatives as members of the Commission in order to enable them to participate on equal footing in the deliberations of the Commission, and in framing its report. If, however, a change in the composition could not be brought about, the Committee suggested, that the Government of India should see that Indian interests were adequately represented and safeguarded by appointing a non-official Indian enjoying public confidence as

assessor. The Government of India replied on the 7th July, 1939, acknowledging the telegram. The Committee thereupon addressed a further letter to the Government on the 17th July, 1939, pointing out that the delay in the appointment of the Indian Agent in Burma was causing considerable anxiety not only in India but also among Indian residents in Burma. The Committee also sent copies of the correspondence to the Government of Bengal and Madras and requested for their support. The Government of Bengal replied on the 25th July, 1939, stating that Mr. R. H. Hutchings had been appointed as the Agent of the Government of India in Burma. The Committee thereupon addressed a telegram to the Government of India on the 25th July, 1939, stating that while they welcomed the appointment of one connected with Bengal on this post, they strongly resented the appointment of a non-Indian against almost unanimous demand for the appointment of an experienced non-official Indian to this post. The Committee also wrote to the Federation of Indian Chambers on the 3rd August, 1939, suggesting them to take up the matter with the Government of India. The Federation replied on the 23rd August 1939 stating that the Burma Indian Chamber of Commerce wrote to the Federation sometime back expressing its grave doubts as regards suitable Indian with requisite qualification and status being available for the appointment of the Government of India's agent in Burma. The Burma Indian Chamber therefore had made a suggestion that a Senior European Civilian of superior position in the services should be appointed as the Agent as he would be in a position to command the respect not only of the Burmans but also of the European Officials and would be able to have easier access to officials and records and would thus be in a position to render better services to the cause of Indians in Burma. The Federation therefore felt that the commercial community in Burma might not protest against the appointment of Mr. Hutchings and the Federation were of opinion that no action might be taken in the matter.

Indianisation of Imperial Bank services.—The Committee had some correspondence last year with the Imperial Bank of India on the question of Indianisation of the Imperial Bank services. On the 19th December 1939, Mr. (now Sir) A. R.

Dalal, President of the Chamber and the Secretary interviewed Sir William Lamond, Governor, of the Imperial Bank of India and discussed the question with him On the 13th January 1939 the Committee received a confidential letter from the Governor explaining the progress made in the indianisation of the services. The Committee replied on the 4th March 1939 thanking the authorities of the Bank for the information and trusting that in the execution of the policy of the Bank care would be taken to give fair opportunities to Indians in the service of the Bank in the highest posts.

Use of Saccharine in aerated waters.—It was recorded on page 70 of the last Annual Report that the Committee had addressed a letter to the Government of India and all the Provincial Governments on the 15th December 1938 requesting them to prohibit the use of saccharine in the country in the articles of food sold to the public. The Government of India replied on the 24th January 1939 stating that the subject of "adulteration of food supply and such goods" was included in the Provincial Legislation List and it was for the Provincial Governments to consider whether it was necessary to prohibit the use of saccharine in drinks and articles of food The Government of Sind replied on the 27th June 1939 stating that they were in agreement with the views of the Chamber and proposed to take steps to prohibit the use of Saccharine in Aerated Waters.

The Committee also requested the Federation of Indian Chambers of Commerce and Industry to take up this matter, who replied on the 22nd December 1938 stating that the matter was receiving attention.

Discriminatory clause against Indian Importers in certain Marine Insurance Policies.—The attention of the Committee was drawn to the following clause appearing in certain Marine Insurance Policies issued in respect of goods imported from England into Calcutta.

> "Native consignees Clause :—In the event of accident whereby loss or damage may result in a claim under this

policy in respect of goods forwarded to Native Consignees survey must be held prior to goods leaving customs house."

The Committee thereupon addressed a letter to the High Commissioner for India on the 8th March 1939 pointing out that whereas usually the importers were entitled to apply for survey and claim damages after their goods were received in their godowns and breakages were discovered, the above clause provided for claims for damages being made before the goods left the customs house. The Committee strongly objected to such a clause being incorporated for Indian consignees only and thus making an invidious distinction between Indian and non-Indian importers in India. The High Commissioner for India was requested to take steps to have this discriminatory clause removed at an early date. The High Commissioner replied on the 20th March 1939 stating that the reference had been made to the Government of India Department of Commerce, in the matter.

The Government of India wrote to the Chamber on the 28th July 1939 inquiring about specific instances in which the difficulties complained of occurred and whether the insertion of clause in question was being insisted upon by non-Indian insurers only or the Indian insurers in the United Kingdom as well. The Government also desired to know as to whether a few non-Indian insurers only insisted on the insertion of the clause or all non-Indian insurers did so. The Committee replied on the 17th August 1939 stating that the clause in question was found in some of the Lloyds' Agents' Policies. The Committee also forwarded a copy of a letter received by Messrs. Devadutta Saraogi & Sons at whose instance the matter was taken up, from Messrs. Gladstone Wyllie & Co in which the claim of the former for damages to goods was disallowed because the clause was mentioned in the policy. The Committee also pointed out that no Indian insurers were operating in the United Kingdom, at present and the question about their insisting upon a similar clause, therefore, did not arise. The Government of India replied on the 9th December, 1939 stating that as a result of inquiries made by the High Commis-

sioner for India, the Government were informed that the "Native consignee clause" now known as "Special survey clause" was not an official Institute clause but was generally being used by all insurance companies and Lloyds underwriters in cases where experience had shown it to be necessary. The Government of India added that this clause was not only used in insurance policies on shipments to India but also to other countries. The Government of India further stated that if the Chamber desired to make any further inquiries, the Government should be furnished with names of the companies who insisted on the insertion of the clause, in addition to Lloyds underwriters, as also the names of those companies who had never inserted such a clause before in their policies but did so at present.

Securing of Passages by Sea for Members of the Staff of Commercial and Industrial Undertakings in the event of any emergency.—The Government of India wrote to the Chamber on the 11th May 1939 stating that they had under consideration in consultation with the Secretary of State for India the question of making arrangements that might be necessary in the event of any emergency to secure passage by sea from Europe to India for those members of the staff of commercial and industrial undertakings in India who might be in the United Kingdom at the outbreak of any emergency and whose early returns to this country might be vitally necessary in order that the industrial and commercial concerns might be able to meet the demands for the supply of essential commodities which might be entrusted to them. The Government of India further stated that the number of passages for persons other than Civil and Military officers in the employ of the Government might be severely curtailed. The Chamber was, however, requested for particulars regarding the persons whose early return to India would be a matter of vital importance. The Committee issued a circular to all members of the Chamber in this connection and informed the Government on the 12th July 1939 about the same.

The Government of India further wrote to the Chamber on the 16th September 1939 stating that arrangements had already

been made to send to India a great majority of Civil and Military Officers and key industrialists whose importance had previously been signified to the Secretary of State. Precise lists of all those who remained were not available but their number was small and it was presumed that they were all in touch with the Secretary of State who had been asked to return all Commercial and Industrial gentlemen as well as officials as soon as passage accommodation could be arranged for them. Since sailings had been resumed the Government believed this would not present great difficulties and the Chamber was advised to instruct employees of industrial concerns direct to make their arrangements for return as soon as they could. The Government also drew attention to India's very limited resources in European Officers and in qualified teachnical personnel and requested the Chamber to use all their influence to prevent such persons leaving the country to volunteer for services elsewhere or abandoning their posts in Industry. The Committee issued a circular and brought the matter to the notice of members.

Demand for certain Public Holidays.—The Upper India Association wrote to the Chamber on the 31st May 1939 stating that although Gopashtami day, Ramnavami day, the day after Divali and Doljatra day were festival days for a large number of Hindus, no public holidays were observed on these days in Bengal. The Association referred to the difficulties experienced by merchants in this connection and suggested that a conference of Burra Bazar and up-country people be held to make suitable representation to the Government of Bengal in the matter. The opinion of the Chamber having been invited, the Committee replied on the 19th June 1939 stating that they were in sympathy with the demand and had as a matter of fact, written to the Government in the past for granting some of these holidays. The Committee however, regretted their inability to convene a conference for the purpose but suggested that the matter might be taken up with the Government of Bengal again.

The Government Commercial Institute Reorganisation Committee.—On the 17th June 1939 the

Secretary of the Government Commercial Institute Reorganisation Committee forwarded a copy of the Questionnaire issued by the Committee and requested for replies of the Chamber to the same.

The Committee submitted a reply statement on the 28th August 1939. They pointed out that reorganisation of the Government Commercial Institute should not proceed on the basis only of copying similar existing institutes in other countries but that opportunity should be taken to build up an institute particularly suited to the needs and requirements of India and taking into account the present conditions. According to the Committee, the institute should provide for the imparting of commercial training of two categories, namely, (1) to prepare students for clerical situations in commercial offices and (2) for administrative jobs in such firms. As regards the governing body in the institute, the Committee were of opinion that the governing body should have a large representation of practical businessmen elected through the Chambers of Commerce and should have considerable autonomous powers. Regarding the courses of study, the Committee were of opinion that short courses on industrial legislation, like the Factories Act, Payment of Wages Act, Workmens' Compensation Act and Companies Act, should be included.

Position of Indians in Burma.—On the 24th June 1939, the Committee addressed a detailed communication to the Government of India regarding the unsatisfactory position of Indian residents in Burma. The Committee pointed out that Indians in Burma were entitled to the fullest rights of citizenship and on this fundamental issue there should be no compromise on the part of the Government of India. The Committee referred to the appointment by the Government of Burma on 17th June 1939 of the Commission to enquire into the problems connected with Indian Immigration into Burma and regretted that there was no direct Indian representation on the basis of equality on this Commission. The Committee urged the Government of India to see that it was made clear that the proposed enquiry referred to the immigration of unskilled labour only as the terms of reference

published were very wide and included all questions pertaining to Indian Immigration. The Committee further stated that if British subjects could claim free entry into India and Burma on the ground that they were British subjects and could not be discriminated against, it was illogical to deny the same rights to Indians in Burma who were also British subjects and who had been enjoying these rights all these years. The Committee were constrained to point out that for the first time in the constitutional history of the British Commonwealth, power was given to the Government of Burma under the present Act to exclude Indians by specifically mentioning their name, although even the worst kind of racial legislation in South Africa had never excluded Indians qua-Indians. The Committee then referred to the important part played by Indian capital and labour in the economic development of Burma both of which met with a real demand in the country as also to the extensive interest of the 10 lacs of Indians in Burma. The Committee were also opposed to any attempt at drawing a distinction between the permanent Indian residents in Burma and the seasonal immigrants into that country in endeavouring to secure better rights for the domiciled Indians. Referring to the question of payment of compensation for losses sustained by Indians during the riots in Burma in 1938, the Committee urged that the question should be settled without any delay, as the chief value of compensation depended upon the speed with which it was given.

The Government of India replied on the 19th July 1939 stating that the terms of reference of the Commission appointed by the Burma Government were virtually identical with the recommendations of the Royal Commission on Labour in India and in the absence of any reliable data it could not be possible to limit the scope of the proposed enquiry. Regarding the composition of the Commission, the Government stated that this was determined after careful consideration and with the concurrence of the Government of Madras. The Government of India further stated that they were satisfied that the Indian Assessor would be appointed by the Government of Burma after consultation with the Indian community there and would represent the

views of that community. The Government of India added that apart from their giving evidence, Indian interests would be able to avail themselves of the assistance of the Agent of the Government of India in Burma. Regarding the question of compensation for losses of Indian life and property the Government stated that the question had been referred to the Secretary of State for India for his decision.

Procedure for enrolment on the Electoral Roll of occupiers of premises for the Calcutta Municipal Election.—At the instance of the Upper India Association, the Committee addressed a letter on the 4th September, 1939, to the Government of Bengal referring to the election notice issued by the Chief Executive Officer of the Calcutta Municipal Corporation inviting applications from tenants possessing certain qualification for entry of their names in the register of voters. The Committee stated that such applications were required to comply with the formalities specified in paragraph 3 of the Government Order of the 4th August, 1939. Paragraph 3 however required that every application shall contain a declaration about correctness of the particulars and the declaration should be signed in the presence of the owner or any of the owners of the premises or part of the premises in respect of which rent was paid. The Committee pointed out that such a requirement would prove very difficult to the tenants to comply with as in a number of cases the owners of the buildings stayed out of Calcutta and might not be present in the town at the time when the application was made. The Committee suggested that provision should be made that satisfactory evidence adduced by the tenant such as a receipt for rent passed by the owner should be deemed sufficient for enrolment of the tenants on the Electoral roll. If, however, this suggestion was not found acceptable, the Committee pointed out that at least any person authorised by the owner in this behalf should also be entitled to sign the declaration.

Nursing Staff at the Campbell Hospital.—At the instance of Messrs. Diwan Hajee Peer Mohamed Musa, the Committee addressed a letter on the 17th July, 1939, to the Government of Bengal drawing their attention to the inadequate nursing

staff at the Campbell Hospital. The Committee suggested that steps should be immediately taken to see that a proper nursing staff was maintained in the hospital. The Government of Bengal replied on the 21st July, 1939, stating that the strength of the nursing staff at the Campbell Hospital was far from satisfactory but scheme for providing for adequate nursing had been approved by the Government and would be put into force sometime in October, 1940. The matter was also referred to Mr. K. L. Jatia, the representative of the Chamber on the Visiting Committee of the Campbell Hospital. Mr. Jatia wrote to the Chamber on the 4th October, 1939, that he visited the Campbell Hospital and found that the nursing staff of the Surgical ward was inadequate and that he had entered a complaint to this effect in the Visitors Book. The Superintendent of the Campbell Hospital, Mr. Jatia stated, gave him to understand that the present nursing staff of 54 would be increased to 180 nurses including probationary nurses within the course of a year.

Indo-Ceylon Trade Relationship, and the question of immigration of Indians into Ceylon.—The Committee at one of the Meetings discussed the question of Indo-Ceylon Trade Relationship and the question of immigration of Indians into Ceylon. The subject was also discussed with Mr. M. H. Kantawala the Ceylon Trade Commissioner when he met the Committee on the 22nd August, 1939. The Committee decided that a communication be addressed to the Government of India on the subject. The matter is receiving attention.

Orders for clothings for the Government of India's defence programme.—It was stated in the Annual Report last year that the Committee had some correspondence with the Government of India on the subject and they had requested the Government to supply them with details of the Orders placed in India as also of those placed abroad and about the exact specifications of various articles ordered from abroad which according to the Government were not at present manufactured in India up to the required standard. The Government of India replied on the 24th July, 1939, forwarding a statement together with copies

of the specifications referred to therein, detailing all the information. The Committee decided to invite the views of interested members as also of the Mill Owners Associations at Bombay and Ahmedabad, on the subject. The matter is receiving attention.

Establishment of Non-Indian Concerns in the country.—The Federation of Indian Chambers wrote to the Chamber on the 3rd August, 1939, stating that the Research Department of the Federation had under preparation a short monograph on Foreign Capital in India with special reference to the establishment of non-Indian concerns. It was stated that the menace of non-Indian concerns established in India had grown much in recent years, and it was necessary that full implications of this development should be examined and suitable remedies taken to check some of its undesirable aspects. Statistical data which were necessary for an authenticated document on this subject were however not easily available and the Federation had therefore requested the Chamber to furnish information on certain points such as the number of firms within the Province, owned, controlled and managed by foreign companies, their profits, their policy regarding employment of superior staff, number of firms within the Province going under the name ' India Limited ', their profits as also instances in which Indian firms had suffered from unfair competition from these non-Indian concerns.

The Indian Cigarette Manufacturers Association also wrote to the Chamber on the 7th August, 1939, inviting support to a representation submitted by them to the Minister for Industries, Bombay. It was stated that the Swadeshi Movement had given an impetus to the establishment of cigarette manufacturing industry in the country and the industry was catering mostly for the cheaper varieties of cigarettes. However foreign owned cigarette factories in India entered this field of manufacture and soon began to flood the market with cheaper varieties of cigarettes. The rate for 1000 cigarettes of one anna quality was brought down from Rs. 6/- to Rs. 4/- thereby effecting a reduction of about 35 to 40 per cent. The Association had requested the Government to use

their influence to bring about an agreement between the foreign concerns and the Association factories.

The Pioneer Match Factory also wrote to the Chamber on the 7th August, 1939, inviting attention to the correspondence which the Committee of the Chamber had with the Government of India in the previous year about unfair competition which the Indian Match manufacturers had to face from the Western India Match Company and the Calcutta Match Works. The Pioneer Match Factory pointed out that unfair competition from non-Indian manufacturers had now reached such a stage that unless immediate steps were taken by the Government to protect the industry, the remaining Indian factories would have also to close down. They suggested that the Chamber should represent to the Government the necessity of safeguarding the industry by fixing the minimum price for 60 sticks and 40 sticks matches as previously suggested or by providing for restricted production.

The Committee had referred the subject to a Special Sub-Committee to go into the subject thoroughly. On account of the altered circumstances due to the outbreak of war and the consequent rise in prices, however, the uneconomic competition from foreign concerns is not so keenly felt as before. The matter is still under consideration.

Reports about closing the Hessian Exchange.— The Committee addressed a letter on the 11th August, 1939, to the Government of Bengal referring to the Reports that the Government were contemplating to close down the Hessian Exchange. The Committee pointed out that such an action on the part of the Government would create a panic in the markets and undermine the confidence of the business community in the stability of legitimate business commitments. Such a step, according to the Committee, would also cause serious repercussions on the prices of both Hessian and jute which was not desirable. The Committee therefore requested the Government of Bengal not to take any such action which would be highly injurious to the interests of the trade. The Government of Bengal replied on the

14th August, 1939, stating that the matter would receive their due consideration.

Treatment of Indian Residents in Abyssinia, Italian Somaliland and Eritrea.—On the 10th July, 1939, the Committee addressed a letter to the Government of India stating that they learnt that Indian residents in Abyssinia, Italian Somaliland and Eritrea were subjected to certain regulations which were of a discriminatory and highly humiliating nature. The Committee stated that Indian residents in these parts were prohibited from entering hotels, restaurants, cinemas, from using cars driven by Europeans and public buses, from travelling by trains in the First and Second Classes, from entering the main Post and Telegraph Offices, using waiting rooms, being treated in hospitals as indoor patients and carrying on business in centres of cities. The Committee further stated that in spite of repeated efforts extended over for more than two years to ameliorate this position, the grievances continued to be unredressed. The Committee requested the Government to make an early enquiry in the matter and take up the same with the Italian Government through the Secretary of State. The Government of India replied on the 24th July, 1939, stating that the matter had already been taken up by them and representations were made to the Italian Government through His Majesty's Ambassador at Rome in the last April with a view to securing the removal of these disabilities. On the 18th July, 1939, the Committee addressed a further letter to the Government stating they learnt that the Italian Authorities replied that the restrictions were necessary in the interests as much of the Italian people as of non-Italian coloured people for Italians, it was stated, were not accustomed to deal with other races and free contact between them might result in unpleasant incidents. The Committee pointed out that Indians in Abyssinia came mostly from the respectable merchants and traders class and were fully experienced in dealing with persons of many nationalities. The restrictions however the Committee stated, were originally intended for the Abyssinians but had been without any reason extended to the Indian residents. The Committee suggested that the Government of India should represent the matter strongly to the Italian

Government and if necessary take retaliatory measures against the Italian residents in India. The Committee also invited the attention of the Federation of Indian Chambers, the Imperial Citizenship Association and the Indian Overseas Association to the matter. In their letter dated the 26th July, 1939, the Committee suggested to the Federation that the question of adoption of retaliatory measures against Italian residents in India should be examined if the disabilities suffered by Indians in these territories were not removed. The Federation replied on the 10th August, 1939, that there would be no sanction behind in boycott of Italian goods that might be undertaken in this connection and any such resolution would therefore unnecessary aggravate the matter without bringing any relief to the Indian residents in the Italian territories.

Congestion of traffic in Armenian Street, etc.—The Commissioner of Police wrote to the Chamber on the 29th June, 1939, stating that he had received complaints regarding congestion of traffic in Armenian Street, Amratolla Lane and the Portuguese Church Street caused by lorries and carts engaged in conveyance of goods for firms located in those areas. He further stated that he was given to understand that this congestion should be much minimised if merchants in these localities engaged a sufficient number of men to load and unload the goods expeditiously. The views of the Chamber were invited in the matter. The Committee replied on the 20th September, 1939, stating that they were of opinion that the congestion was not entirely due to the merchants not engaging sufficient number of men to load and unload goods. According to the Committee adequate supervision was also required in the locality so that carts and lorries not engaged by any merchants might not unnecessarily stand there in expectancy of being engaged. The Committee therefore suggested that the problem should be examined also from this view point.

Price Control and the measures adopted by the Government of Bengal to stop profiteering.—On the outbreak of war there was a sharp rise in the prices of various articles and commodities. The Government of Bengal issued an Order on the 5th September 1939 under the Defence of India

Ordinance empowering any Police Officer not below the rank of a Head Constable as well as any other officer empowered in this behalf by general or special order of the Central Government to arrest without warrant any person who was reasonably suspected of profiteering. On the following day the Government of Bengal taking action upon the Order arrested a number of prominent businessmen in the City on the charge of profiteering. As the public had not received due notice of the publication of the Order by the Government and the action taken by the Police was rather drastic, Mr. G. L. Mehta, the President of the Chamber along witr Mr. D. Khaitan saw the Commissioner of Police on the 6th September and discussed with him the question. The Commissioner assured that the persons arrested had already been released and that the Police were instructed not to arrest any person unless a definite case of profiteering could be proved. On the 7th September 1939 an Emergent Meeting of the Committee of the Chamber was held to discuss the situation and representatives of the Bengal National Chamber of Commerce, the Muslim Chamber of Commerce, the Marwari Association, the Calcutta Swadeshi Piece-goods Association, the Marwari Chamber of Commerce and the Calcutta Mercantile Association also attended the same. After a long discussion it was agreed that the representatives of the various Chambers and trades should place their views on similar lines before the Hon'ble Minister for Commerce and Labour in the Conference convened by the Government that afternoon. It was agreed that the Chambers should suggest setting up of an Advisory Committee representing the various Chambers of Commerce and the Corporation of Calcutta to advise and guide the Government in the matter and that the Officer who might be appointed by the Government in this connection should work with the co-operation of this Advisory Committee. It was further agreed that control of prices should extend only to necessities of life and not to all commodities and articles as mentioned by the Government in their Order. It was also decided that Messrs. M. L. Shah and D. Khaitan should represent the Chamber at the Conference convened by the Hon'ble Minister for Commerce and Labour in this connection. The Conference was held that afternoon at the Writers

Building and the representatives of various interests expressed their views on the question of the price control and measures to check profiteering. The Minister for Commerce and Labour requested the representatives attending the Meeting also to send written memoranda on the subject.

On the 11th September 1939, the President of the Chamber along with the President of the Bengal National Chamber of Commerce addressed a joint letter to the Government of Bengal protesting strongly against the unduly harsh and drastic measures which were taken by the Police on the 5th and 6th September 1939 in order to check profiteering. It was stated that respectable persons like the Directors of Manufacturing and Trading firms who were in many cases personally unaware of the rise in prices effected, were harassed and humiliated by being arrested late in the night and being detained for a considerable time. It was further stated that this encroachment on the civil liberties of businessmen had created serious misgivings and panic amongst the businessmen engaged in trade and commerce and would alienate the sympathy of the business community towards the successful control of profiteering. It was also mentioned that the Government would have been well advised if they had issued timely warning to the firms and notified the merchants and shopkeepers to adjust their prices in a reasonable manner and even imposed heavy fines for penalties in actual cases of profiteering. It was also pointed out that the Government of India had in their latest communique recognised that a rise of ten percent on the price level ruling on the 1st of September was not to be considered unwarranted and the action of the Government of Bengal therefore in insisting on a return to the price-level obtaining a week before the declaration of the war was arbitrary and unreasonable.

On the 13th September 1939 the Committee submitted a comprehensive representation to the Government of Bengal on the subject of price control and profiteering. The Committee appreciated the necessity of regulation of prices under exceptional circumstances prevailing then so that undue advantage might

not be taken of the situation to raise the prices above reasonable level, but they submitted that the question of what constituted profiteering in the various trades should be carefully considered before the prices were definitely fixed. The Committee pointed out that under such abnormal circumstances as prevailing certain amount of all-round increase in price was inevitable on account of the requisition of large quantities of essential commodities by the Government for war purposes, shortage in the supply of available tonnage for overseas trade, increase in war risk insurance, difficulties about Inland transport etc. The Committee further pointed out that this had been recognised by the Government in their Press Communique of 8th September 1939 in which they stipulated that the maximum price which the Provincial Governments might fix in respect of any commodity shall not be lower than 10 percent above the ruling price at the same stage on the 1st September 1939. According to the Committee, the maximum in the case of each particular commodity would necessarily depend on the circumstances of each trade. The Committee further pointed out that the prices of food-stuffs had been very low for a long time and the cultivators as also the dealers were anxiously awaiting improvement in the prices. Commodity prices were more or less regulated by international factors and India as a debtor country producing primary materials suffered greatly on account of the depression and consequent decline in prices. The Committee threfore held that the present increase in agricultural prices owing to the operation of world factors should be rather welcomed as affording some compensation to the cultivators and the dealers for the uneconomic prices which prevailed till now. Regarding salt the Committee pointed out that taking into account the existing stock in the Government bonded warehouses and the expected arrivals along with the monthly consumption it could be found that a shortage of about two lacs maunds would have to be faced if effective steps were not taken to ensure more supplies. The Committee believed that unless a fair selling price was assured to the dealers further supplies of salt might not be ordered and the province would have to face serious shortage of salt during the coming months. The

Committee also referred to the abnormally low prices prevalent in the piece-goods market for the past twelve months as also to the increase in the price for raw cotton and stated that unless the prices of piece-goods increased to the extent of at least 32 to 35 percent over those prevailing during the period just before the outbreak of the war, mills may not be able to work fullshift and with any advantage.

The Committee further pointed out that the markets of Calcutta served not only Bengal but also Bihar, U. P., Assam and other inland centres. Calcutta was the distributing centre for these provinces as also an outlet for other agricultural commodities and the prices in the Calcutta markets had to bear relation to the prices at other centres.

After some time the Government of Bengal appointed a Price Control Officer and an Advisory Committee to assist him in fixing the prices of various articles. Mr. D. P. Khaitan was nominated as the representative of the Chamber on this Advisory Committee. The Chamber also appointed a number of sub-committees of various trades and industries to collect information about the difficulties experienced by each trade in connection with regulation of prices. The information regarding various trades was collated and the difficulties of each trade was taken up through the representative of the Chamber on the Advisory Committee. On the 7th October 1939 the Committee addressed a letter to the Controller of Prices, Bengal stressing the desirability of the Government communicating their Orders regarding price control with the least possible delay to all mofussil centres so that there may be no inconvenience caused to merchants and traders in those markets.

Early in December 1939 the Government of Bengal fixed the maximum prices of various articles and commodities like matches, wheat, flour, atta, cocoanut oil, spices etc. The Committee considered the Notification issued by the Government of Bengal in this connection and appointed various sub-committees to consider the maximum prices fixed therein. The Committee also addressed

a letter on the 11th December, 1939 to the Government of Bengal pointing out that it would have been advisable if the Government had fixed the prices of various articles after consulting the Advisory Committee appointed by them in connection with regulation of prices. The Committee also pointed out that the members of the Advisory Committee should be given sufficient time to consult the various interests affected by the prices fixed.

At the instance of the various affected interests who pointed out that the maximum prices fixed by the Government for some of the articles were too low, the Committee had the matter represented before the Chief Controller of Prices and in several cases such as flour, atta, wheat, matches etc., the prices were revised by the Government.

Fixation of price of salt.—On the 8th September 1939 the Committee addressed a telegram to the Government of India stating that in view of the small stock of salt and restricted imports due to serious uneconomic prices prevailing throughout last two years and also on account of the present acute scarcity of tonnage, salt shortage in Bengal was apprehended. The Committee stated that the present stock in Government bonded warehouses was only 7 lacs maunds while 1½ lacs were afloat and the expected arrivals during the month were about 2 lacs against the normal monthly consumption of 12 lacs maunds. The Committee therefore requested the Government to take immediate steps to ensure adequate supplies and arrange with shipping companies so as to secure for the manufacturers sufficient tonnage. consequently the Government increased the price of salt to Rs. 107.

Price-control of salt in Saran district (Bihar).—At the instance of Messrs. Bisesarlal & Co., the Committee addressed a letter on the 24th October, 1939 to the Collector of Saran stating that some stock of salt belonging to this firm was lying with their agents in the Saran district and the police authorities were asking them to sell the stock at the pre-war prices. It was pointed out that the position with regard to inter-provincial trade had been made clear by the press communique issued by the Government of India

on the 29th September, 1939. The Committee requested the Collector of Saran to enquire into the matter. The Collector of Saran replied on the 9th November, 1939 forwarding therewith a copy of his letter addressed to Messrs. Bisesarlal & Co. It was stated that the price of salt in the district of Saran before the outbreak of war was Rs. 5 to Rs. 5/4 per bag of two maunds and after allowing 10 per cent. came to Rs 5/12/6 Subsequently on account of the rise in price approved by the Bengal Government, the rate of salt was increased to Rs. 6/3 per bag of two maunds for fresh importations only. He referred to the statement of Messrs. Bisesarlal & Co., that the Government of Bengal had fixed the prices of salt at Rs. 122/- per 100 maunds and enquired as to from what date the order became effective and also whether it applied to new shipments. He added that the stock of salt of Messrs. Bisesarlal & Co. was removed from the ship before the outbreak of war and hence it was not clear as to why any price in excess of the pre-war prices plus ten per cent. should be allowed for the same The Committee further addressed a letter to the Collector of Saran on the 2nd December, 1939 drawing his attention to the decision arrived at the Conference regarding price control measures convened by the Government of India. It was pointed out that it was generally agreed at the Conference that no distinction between old and new stocks could be made in view of administrative and other difficulties.

Regulation of price of piecegoods.—On the 14th September 1939 the Committee addressed telegrams to the Minister for Commerce and Labour, Bengal and also to the Premiers of U. P., Bihar, Assam and Orissa stating that numerous complaints and representations from piece-goods merchants and the textile industry had been received regarding regulation of prices of piece-goods. The Committee pointed out that prices of piecegoods had been unprecedentedly low during the past 14 months and the textile trade was experiencing a severe slump. The prices during the pre-war period were lower than in August 1938 by about 20 percent. Moreover prices of raw cotton had gone up by about 30 to 35 percent and of chemicals and sizing materials by about 100 to 300 percent. The Committee therefore believed that the

First September or the immediate prewar prices could not be taken as the normal basis. The piece-goods trade was, the Committee stated, expecting some relief at the Pooja Season and the interference of the Government was therefore unjustified till prices returned to the normal namely, 30 to 35 per cent. above the 1st September prices. The Committee requested the Governments to revise their Orders and instruct the Local Authorities not to interfere with legitimate increase at least up to 35 percent above the 1st September prices The Committee also addressed similar telegrams to Babu Rajendra Prasad, the President of the Indian National Congress, and to Sirdar Vallabhbhai Patel, the President of the Congress Parliamentary Board.

On the 15th September 1939 the Committee further addressed telegrams to the Mill Owners Associations at Bombay, Ahmedabad, Cawnpore and Coimbatore stating that the Bengal Government had fixed the maximum limit of piece-goods prices at 10 percent over the 1st September rates and that the Chamber had approached the Bengal Government that in view of the prices having abnormally gone down by 15 to 25 percent in the preceding year and due to 30 to 35 percent increase in cotton prices and 100 to 300 per cent. in case of chemical, sizing and colouring materials, no regulation should be imposed until prices returned to the normal level *i.e.* at least 30 to 35 per cent. above the 1st September prices. The Committee further stated that the textile industry and trade was distributed throughout India and whatever measures of price control were adopted, must be uniform throughout India. The Committee therefore urged the various Mill Owners Associations to consider the matter and take a deputation to the Central Government to formulate uniform proposals for the whole of India. The Committee also suggested that in view of the panic created at several places the Government of India should at present withdraw powers from the Provincial Governments regarding regulation of prices of piece-goods until a uniform policy for the whole of India was laid down.

The Government of Assam replied on the 19th September 1939 stating that so far as they were aware the control of prices

Order had not materially affected piece-goods and that they had taken every steps possible to ensure fair dealing between the trade and the consumer. The Government of Bihar replied on the 28th September 1939 stating that in accordance with the Orders issued by the Government of India the prices of the cheaper qualities of cotton cloth in the province was not permitted to exceed a figure which was 10 per cent. in excess of the price ruling on or immediately before the 1st September 1939. They further stated that dealers in the province were dependent for their supplies on markets which were situated outside the province and the control of prices prevailing in those markets were matters for the provincial governments concerned. The Committee thereupon further wrote to the Controller of Prices, Bihar explaining that the Notification of the Government of India dated the 16th September 1939 pointed out that the maximum price fixed for sales at any of the stages shall not be less than a figure 10 percent above the ruling price at the same stage on the 1st September 1939. A 10 percent increase over the 1st September prices was according to the Committee the minimum and not the maximum for price increase by the Provincial Governments. The Committee also referred to the Notification of the Government of India dated the 28th September 1939 in which the position was made clear. The Controller of Prices, Bihar replied on the 10th October 1939 stating that the present instructions of the Government of Bihar were that the retail selling price of cloth fixed in the Province should take into account the cost of Bihar importer for obtaining delivery of cloth from markets outside the province. The Governments of Bombay and C. P., he stated, furnished the Government of Bihar with information of the latest price current in the principal markets of those provinces and those prices were circulated in the districts of the province. The Price Controller, further stated that he could not accept the interpretation of the Chamber of the Government of India Notification of the 16th September which according to him only meant that the maximum to which prices may raise should not be less than a certain figure.

The Mill Owners Associations at Bombay, Ahmedabad and Coimbatore also replied to the Chamber's telegrams stating that

they were moving in the matter with the Government of India. The Bombay Mill Owners Association also stated that they had taken up the matter with the Government of India through Sir H. P. Modi, their representative in the Central Legislative Assembly.

Price-control of Petrol.—At the instance of the Automobile Association of Bengal the Committee addressed a letter to the Chief Controller of Prices, Bengal on the 4th December, 1939 drawing attention to the increase in the price of petrol from Rs. 1/2 to Rs. 1/4/6. The Committee stated that they were aware that the petrol selling rates were increased with the sanction of the Government of India but they felt that the prices should now be controlled without further delay. The Committee pointed out that a large portion of the petrol supplied to India was imported from Burma and it was transported in the tankers owned by the oil companies and therefore there was little justification for an increase in price of petrol. The Assistant Controller of Prices, Bengal replied on the 8th December, 1939 stating that the rise in price of petrol was not permitted by the Government of Bengal but was allowed by the Government of India. He suggested that the Chamber might write to the Government of India on the subject.

Price of certain chemicals quoted in an open tender.—Messrs. Calcutta Chemical Co , Ltd., wrote to the Chamber on the 9th October, 1939 stating that they had submitted an open tender to the East Indian Railway quoting prices of certain chemicals and the Controller of Stores had written to them in reply asking for documentary evidence as to how they had arrived at the rates quoted. The Calcutta Chemical Co., stated that the Railway could not demand such information and it would be very difficult for them to quote rates in future if this method was followed. The Committee thereupon addressed a letter to the East Indian Railway on the 18th October, 1939 pointing out that the demand of the railway to produce documentary evidence as to how the prices quoted for goods were arrived at was not proper as the parties had quoted against an open tender. The Committee further pointed out that the information regarding cost of production etc., was a

thing which ordinarily the manufacturers or traders would not like to disclose. They suggested that the proper course for the railway was to have approached the Price Control Authorities in the matter. The East Indian Railway replied on the 8th November, 1939 stating that they made use of the price controlling Authorities but in some instances they thought it better to refer to the firm direct in case it was possible to settle the matter more expeditiously.

Fixation of price of medicines.—The Committee addressed a letter on the 16th October 1939 to the Controller of Prices, Bengal inquiring about the basis of control in cases in which manufacturers took up new lines of manufacture owing to foreign supplies of these articles having been stopped. The Committee pointed out that the cost price in the case of manufacture of these new articles would be higher and manufacturers should be allowed to sell such articles at a reasonable profit over their cost prices irrespective of the pre-war prices of similar products imported from abroad. The Controller of Prices replied on the 23rd October, 1939 stating that it was desirable that in case a new medicine manufactured in India was sold at a price higher than that at which it was imported before the war, a report should be made to the Government about the proposed price stating the corresponding price before the war and the reasons for the present increase in price.

Publication of Official Proceedings of Price Control Conference.—The Committee addressed a letter on the 25th October, 1939 to the Government of India requesting them to publish the Proceedings of the Conference held to discuss co-ordination of price-control measures adopted by various Provincial Governments in view of important questions discussed thereat.

Internment of Enemy Subjects.—On the 5th September 1939, the Committee addressed a telegram to the Government of India stating that certain Provincial Governments had detained even former Czecks and German Austrian Jews along with Germans under the Foreigners Ordinance, 1939, and that it was understood that the intention of the Government of

India was not to detain Czecks and German Austrian Jews. The Committee stated that if technical experts were arrested in this manner industrial activity in the country would be greatly hampered. The Committee requested the Government to issue definite instructions to all Provincial Governments to make a distinction between Czecks and German Austrian Jews and Germans as such. According to the Committee even German technical men might not be interned subject to proper safeguards. A further telegram was also addressed to the Government on the 7th September 1939 pointing out that the arrest of certain technicians of the Orient Paper Mills Ltd., had greatly handicapped the mill and if these persons were not released, the mill would be compelled to stop working. The Government of India replied on the 14th September 1939 that the internment of subjects of Germany had been carried out by the Provincial Governments under instructions from the Central Government which had been issued primarily for considerations of defence The Government regretted that it was not possible at this stage to order any general release but they stated that individual applications for release would be considered in due course after investigation.

On the 26th October 1939 Messrs. Orient Paper Mills Ltd., wrote to the Chamber that they had taken up the question of release of some of their employees interned by the Government as Enemy subjects with the Darling Interrogation Committee appointed by the Government to examine the case of such internees and they were informed that it would not be possible to decide these cases soon as it would be necessary to submit them to the Government of India for orders, According to Messrs. Orient Paper Mills Ltd., such a procedure would take a long time and the mills were put to great difficulties in the absence of the technicians. The Committee thereupon decided that a further letter be addressed to the Government of India requesting them to expedite the release of foreign aliens interned on account of the war. Accordingly a letter was addressed to Government of India on the 6th December, 1939. The Government of India replied on the 10th December, 1939 stating that three of the employees of Messrs, Orient Paper Mills, Ltd., who had been interned along

with others had been released and the case of others were under investigation of the Aliens Interrogation Committee.

Question of raising a Volunteer Corps.—When the President of the Chamber saw the Commissioner of Police in connection with matters relating to price control and profiteering, the latter gave to understand that for the present the main work in connection with the defence of the civil population in the City was that of air raid precaution, details about which had already appeared in the press The Committee thereupon addressed a letter on the 7th September, 1939, to the Commissioner of Police stating that they would be willing to consider the question of extending suitable co-operation through its members and members of the Chamber to any scheme which may be drawn up later on for passive defence of the City's civil population and their property. The Commissioner of Police replied on the 11th September, 1939, thanking the Committee for their co-operation and stating that when the A. R. P. scheme developed he would see how the Volunteer Corps could be fitted in.

Protected areas under the Defence of India Rules.—On the 11th October, 1939, the Committee addressed a letter to the Government of Bengal stating that in view of the special importance attached to the textile industry on account of the international situation the cotton mill areas in Bengal should also be included within the protected places under the Defence of India Act. The Government replied on the 16th October 1939, stating that at present they considered it would not be feasible nor necessary to declare cotton mill areas as protected. The Committee thereupon addressed a further letter on the 11th November, 1939, to the Government on the subject. The Committee stated that they were not aware of the reasons which made the Government arrive at this conclusion. They however believed that in case any interference arose with the smooth working of the textile industry, the public would have to encounter a great hardship. The Committee therefore felt that cotton mill areas should be included in the list of protected places and they requested the Government to reconsider their decision in the matter,

Rationing of the stocks of Messrs. Chemdyes Limited.—The Deputy Controller of Enemy Firms, Bombay wrote to the Chamber on the 26th September, 1939, stating that an arrangement had been arrived at with Messrs. Chemdyes Ltd., by which they would resume the marketing of their existing stocks. He further stated that the arrangement stipulated that all issues of stocks would be on a strictly rationed basis. The Deputy Controller therefore requested the Chamber to ascertain as far as possible that all indents for stocks made by members of the Chamber were in conformity with the actual needs of their business, due allowance being made in this respect for such stocks as they might have already in hand and that such stocks as were supplied were utilised only to meet such needs and were not disposed of in any other manner. The Committee circulated the matter to members and also arranged that certificates be issued by the Chamber supporting the indents made by merchants and industrial concerns on Messrs. Chemdyes Limited for supply of dyes and chemicals. A number of business firms informed the Chamber about their requirements of these articles and after making due enquiries, the necessary certificates were issued by the Office. On the 6th October, 1939, several owners of Dyeing factories in Calcutta submitted a petition to the Chamber suggesting that the stocks of Messrs. Chemdyes Limited in Calcutta should be reserved for consumption and distribution in Calcutta and should not be sent outside the province. The Committee thereupon wrote to the Deputy Controller of Enemy Firm at Bombay on the 6th October, 1939, supporting the request made in the petition that the existing stocks of Messrs. Chemdyes Limited at different centres should be distributed on locally rationed basis, instead of being pooled at one central place. The Committee also addressed a letter on the 11th October, 1939, to the Deputy Controller of Enemy Firms, Calcutta, inquiring about resumption of the marketing of the existing stocks of Messrs. Chemdyes Ltd., at Calcutta. The Committee point out that arrangements should be made to distribute the existing stocks of the Company at different centres on a locally rationed basis so that industrial users and other consumers all over the country may get their requirements. Messrs. Chemdyes Ltd.,

replied on the 18th October, 1939, on behalf of the Deputy Controller of Enemy Firms at Bombay that the rationing scheme put in force by the Government depended on the stocks available and therefore was based on the average normal off-take of any individual customer in any individual product for the period from 1st January, 1938, to 31st August, 1939. According to them therefore there was no question of dislocating stocks from Calcutta.

On the 17th October, 1939, the Committee wrote to the Controller of Enemy Firms at Bombay stating that there had been several enquiries from members regarding stocks lying with the Calcutta Office of Messrs. Chemdyes Limited. The Committee enquired whether the circular issued by the Deputy Controller of Enemy Firms referred to above related to the All India stocks of the Company or only to Bombay stocks The Committee also wrote to the Government of India, Commerce Department and the Board of Economic Resources, Government of India, drawing their attention to the matter. On the 23rd October, 1939, the Committee addressed a letter to Messrs. Chemdyes Limited inquiring as to when the Calcutta stocks of the Company were likely to be released. On the 26th October, 1939, the Committee addressed telegrams to Messrs. Chemdyes Ltd., and the War Supply Board stating that mills in Bengal were experiencing considerable difficulty owing to lack of dyes and the Calcutta stocks of the Company should therefore be released as soon as possible. A letter dated the 26th October, 1939, was also addressed to the War Supply Board in this connection. The War Supply Board replied by their telegram of the 27th that Messrs. Chemdyes Limited were arranging business of the Calcutta stocks on the same lines as in Bombay. Messrs. Chemdyes Limited also replied by telegram that distribution of their Calcutta stocks was taken in hand from the 14th October, and deliveries were proceeding in accordance with the general scheme. A letter was also received from Messrs. Chemdyes Limited on the 26th October, 1939, stating that arrangements to release stocks from their Calcutta godown under the rationing scheme had already been made and deliveries had begun. In view of the introduction of the rationing scheme however all orders including such for release *ex* their branches were subject to scrutiny in

their Head Office at Bombay and delay in execution of such orders was therefore unavoidable. Members of the Chamber were requested to submit their orders in advance of the date on which goods were actually required.

On the 31st October, 1939, the Committee addressed a further letter to the Deputy Controller of Enemy Firms at Bombay inquiring about the details of the general rationing scheme with regard to the distribution of the stocks of Messrs. Chemdyes Ltd., particularly the information regarding the percentage of requirements to be supplied and the position regarding new orders.

The Controller of Enemy Firms in India at Bombay replied on the 31st October, 1939, to Chamber's letter of 17th October, stating that the work of distribution of the Calcutta stocks was taken in hand by the Bombay Office of the Company on the 14th October, and deliveries were proceeding in accordance with the general scheme. He further stated that so far 202 delivery orders for dye-stuffs valued at Rs. 1¾ lacs had already been issued in favour of consumers at Calcutta and goods to the value of about Rs. 53,000 had been despatched from Bombay to Calcutta. Messrs. Chemdyes Limited also replied on the 4th November, 1939, to Chamber's letter of 31st October, inviting attention to the two circulars issued by them on the subject. It was stated in the circulars that "supplies would be made on a strictly rationed basis by the firm with regard to existing contracts and to meet the existing requirements of an urgent nature, in order to make stocks in India last as long as possible". It was further stated that the Government of India had instructed them to deliver at the most 25 per cent. of normal purchases from them over any period to any customer irrespective of whether or not a contract was made. Further in case of mills known to hold large stocks, deliveries might be withheld altogether. The procedure therefore for all incoming orders was that the customers' off-take in a given product or products for which his requisition might stand would be ascertained for the period 1st January, 1938, to 31st August, 1939, and a monthly average would be struck out of which stocks permitting a maximum of ¼ would be delivered. Messrs. Chemdyes Limited

had added that in certain cases where the monthly ration would be insufficient to permit fulfilment of orders which their customers might have on hand they were quite prepared to make supplies up to three to four months at a time. Any forward contracts entered into before the war would be honoured, they stated, at pre-war prices. The Deputy Controller of Enemy Firms at Bombay also replied on the 9th November, 1939, to Chamber's letter of 31st October. He stated that Messrs. Chemdyes Limited had been instructed to see that in no case did a customer get more than 25 per cent. of his normal purchase over a certain period from them, whether for Government requirements or not, except when specially ordered by the Department of Supply. The basic idea of the scheme was according to him to make stocks last as long as possible and to see that supplies were made available in fair proportion to all those with legitimate needs for the goods, such as large industries and trade and bazar merchants in general. He added that improvements on the present scheme of rationing were under consideration by the Government and Messrs. Chemdyes Limited. The Committee thereupon decided to address a further letter to the Deputy Controller of Enemy Firms at Bombay and to Messrs. Chemdyes Limited stating that dealers should not be allowed to hoard dyes and chemicals unnecessarily, and a distribution of chemicals should now be undertaken similar to that of dyes.

At the instance of Messrs. Kesoram Cotton Mills, Ltd., the Committee addressed a letter on the 5th December, 1939 to the Controller of Enemy Firms drawing his attention to the difficulties experienced by mills in Bengal in obtaining supplies of dye stuffs from Messrs. Chemdyes, Ltd. The Committee pointed out that due to such delay, the mills had to purchase the articles from the market at much higher rates. The Committee also stated that they had received reports that certain firms were getting larger stocks than rationed through exercising undue influence. The Committee pointed out that, under the pretext of their being Government contractors certain mills were also getting large quantities of these articles, although the quantity required for carrying out Government orders was very small. The Committee stressed the neces-

sity of expediting supplies of these articles and suggested that no preference should be granted to anyone in this connection.

The Calcutta Chemical Co., Ltd., wrote to the Chamber on the 15th November, 1939 pointing out that Messrs Chemdyes Limited were demanding about 50 per cent. higher prices for their goods, though they had pre-war stocks and as such could not demand more than 12½ per cent higher than their pre-war prices. The Committee thereupon addressed a letter to the Chief Controller of Prices on the 27th November, 1939 drawing his attention to the matter. The Chief Controller replied on the 4th December, 1939 enquiring about the names of the articles for which higher prices were demanded, their pre-war prices and the prices now charged for the same. The Committee submitted the required information by their letter dated the 13th December, 1939.

Consignments aboard German Steamers lying in Neutral Ports and German goods lying in bond or with Port Authorities.—On the 14th October, 1939, the Committee addressed a telegram to the Government of India stating that the Customs Authorities had issued orders requiring importers in all cases to pay full invoice value before German goods lying in bond or with Port Authorities could be released. An application for refund was to be made later on if necessary. The Committee pointed out that in several cases importers had made part advance payments or were entitled under contracts to make payments by instalments or on approval basis. According to the Committee therefore the insistence by the Customs Authorities on payment of full invoice would not only disturb financial arrangement of importers but was also beyond the powers given to the Government under the Defence Act. The Committee therefore urged that German goods be released on payment of such sums due under contracts and on conditions contained therein. A letter was also addressed to the Government of India on the 16th October, 1939, in this connection.

On the 14th October, 1939, the Committee addressed a telegram to the Government of India stating that they understood

that the cargo aboard German steamers sheltering in Marmagoa was being sold for recovering port dues The Committee requested the Government of India to represent to the Government of Portuguese India to prevent sale of the cargo to unauthorised buyers and recover port dues from the steamer. The Committee also stated that if at all the cargo was sold consignees and other British subjects be given opportunity to buy the goods. The Committee also urged the Government to approach the Portuguese Authorities and compel the Captain of the Steamer to discharge the cargo and give delivery of the same to the consigners. The Committee addressed a letter to the Government of India on the 14th October, 1939, in the matter. They pointed out the difficulties experienced by consignees in India as a result of the delay in the discharge of the cargo from M. V. Braunfels. The Committee also inquired whether the Government of India had approached the Governments of other Neutral Ports where certain German steamers having consignments from India abroad were sheltering, in order that the cargo may be delivered to its proper destination or may be returned to the consignees. The Committee also addressed a letter on the 14th October, 1939, to the British Consul at Marmagoa inquiring about the exact position in the matter. The British Consul replied on the 20th October, 1939, that 3 German ships were refuging at Marmagoa and some portion of the cargo had been discharged from two of them under the orders of the local Government for security of the dues incurred. He further stated that there was at present no attempt to effect sale of the discharged cargo though this situation might arise later. Claims from owners of cargo, it was stated, were being registered in his Office. The Federation of Indian Chambers also wrote to the Chamber on the 18th October, 1939, suggesting that information be collected from all members interested in the cargo aboard the German steamers in various neutral ports about their consignments a number of members of the Chamber supplied details about their consignments in these steamers in reply to a circular issued by the office in this connection.

The Government of India have now issued a Notification suggesting that persons interested in the cargo on enemy ships

sheltering in neutral ports should apply to the British Consuls in the ports concerned for assistance in the matter of the recovery of their cargoes.

The Federation of Indian Chambers of Commerce and Industry in their circular dated the 4th December, 1939 stated that hearing that the London Chamber of Commerce was negotiating for the release of consignments aboard German liners, they had made enquiries from the Bengal and the Bombay Chambers of Commerce in the matter and they were informed that negotiations were still going on between the London Chamber of Commerce, the Board of Trade in the U. K. and the German Steamship Companies regarding the release of cargo and the terms upon which such release could be effected. They were further informed that these negotiations had not reached a final stage but the following terms had been suggested by the German Steamship Companies.

(1) Presentation of full sets of Bills of Lading, (2) Payment of freight in full, where this had not been pre-paid and (3) Payment of a contribution amounting to 25% of the value of the cargo in the event of conditions (1) and (2) not being complied with, within a specified time limit.

The Federation further stated that it appeared that the London Chamber of Commerce contended that the charge referred to in Item No. (3) was unwarranted and had therefore urged the owners of the cargo not to accept the imposition of the charge, pending the outcome of the negotiations and in the meantime to refrain from acting individually.

Regarding the cargo which was lying at Marmagao, the Federation stated that they were informed by the British Consul at Marmagoa that the merchants interested in the ownership of the cargo should register their claims with him. The Federation further stated that they had also been informed by the Bengal Chamber of Commerce that the London Chamber of Commerce had completed arrangements with Messrs. Cox and Kings to handle cargoes from German vessels at all ports of refuge but no further informa-

tion about the terms upon which the release of cargo was negotiated was available. The Federation advised that the members of the Chamber might make their arrangements for handling their cargoes when released either through Messrs. Cox and Kings or their representatives in India or any other clearing agency. The information was circulated to members.

At the instance of Messrs. Cotton Agents Limited the Committee addressed a telegram on the 12th December, 1939 to the Government of India requesting that a permission be granted to this firm in order to enable them to sell their consignment of Linseed aboard German steamer lying at Trieste, to neutral buyers in the Rotterdam market. The Committee stated that they were aware that the Board of Trade in U. K. had authorised owners of cargoes, aboard German ships to pay freight and other necessary charges through the London Chamber of Commerce but they pointed out that such a procedure was likely to entail considerable delay. If Messrs. Cotton Agents Limited were however given a permit immediately to sell their goods, they would be able to dispose of them advantageously to certain merchants in Rotterdam who were prepared to pay all extra charges.

Supplies of Bleaching Powder.—The Committee addressed a letter on the 16th October, 1939 to the Government of India drawing attention to the difficulties experienced by Industrial Concerns in getting supplies of bleaching powder, which was extensively used in Paper, Cotton and other mills. The Committee requested the Government to take early measures to ensure sufficient supplies of bleaching powder in the country. The Government of India replied on the 28th October, 1939 stating that there was a world shortage of bleaching powder and the probable production of the same in the country would not be sufficient to meet the demand nor was it possible to import chlorine or bleaching powder from Europe at present. The Government were therefore investigating the possibilities of importing the same from Canada, U. S. A. and Japan. The Government suggested that the Chamber might collect information about the possible requirements of the article by its members and send the same to Messrs. Imperial

Chemical Industries (India), Ltd., so that the latter may have some definite basis to work on. The Government further suggested that industrial concerns might consider the possibility of making alterations in the quality of certain of their products, with a view to conserving the stock of bleaching powder for essential purposes and in this connection they stated that the services of the Imperial Chemical Industries were available for advice as to alternative materials and processes that can largely achieve the results of bleaching powder. The Committee further addressed a letter to the Government of India on the 11th November, 1939, pointing out that the Imperial Chemical Industries when approached for supplies of bleaching powder and other chemicals had replied to several parties that they were going to make available the supplies first to their old customers only and those who had not been the customers of the company till now would be supplied after the prior claims of the old customers had been satisfied. The Committee stated that this was an unsatisfactory position especially as important chemicals like bleaching powder, soda ash, etc., were required in a number of industries and due to the shortage of these chemicals many Industrial concerns in the country had been greatly handicapped. The Committee further stated that if the Imperial Chemical Industries desired to supply first to their old customers only, the Government should explore the possibility of manufacturing these chemicals in the country and of importing the same from foreign countries, independently of them. The Government of India replied on the 30th November, 1939 stating that the position regarding bleaching powder had changed owing to the issue of export licences by his Majesty's Government in sufficient number and supplies of bleaching powder would shortly be available in India sufficient for the normal requirements of the country. As regards the Imperial Chemical Industries, supplying stocks only to their old customers, the Government thought that no reasonable exception could be taken to this attitude, when they had not the sufficient stocks to meet all demands. The Government further stated that since sufficient supplies were reaching India the firm would be anxious to dispose off their stocks and would welcome all customers. The Government assured that they were considering

all possible steps for increasing the supplies of chemicals needed in India and did not intend to rely only on the Imperial Chemical Industries for this purpose but as this firm had been handling a very large trade in heavy chemicals, it had been in the best position to improve supplies available for India during wartime The Government of India further assured that constant attention would be given to the problem of securing adequate supplies of chemicals to meet India's needs.

Economic Resources Board—Establishment of.—The Committee addressed a letter on the 24th October, 1939 to the Government of India, referring to the constitution of the Economic Resources Board by the Government for conserving and utilising the ecnomic Resources of India to the best advantage. The Committee pointed out that during the last war it was expected that the industries established during the war would be helped to firmly establish themselves after the termination of the war and would be protected from renewed competition from foreign sources, but with the closing of the war the interest of the Government of India in the development of those industries waned and as a result of the same the country found itself today in the fresh emergency greatly deficient in the production of both articles for industrial requirements and manufactured goods for consumption. The Committee stated that had the Government of India continued to take interest in the development of the industries during peacetime India would have been found today much more industrially prepared to meet the exigencies of war situation and to maintain her supplies. The Committee therefore emphasised that the newly appointed Economic Resource Board should explore the possibilities of the development of new industries in India in order to utilise the economic resources of the country to the best advantage and that the Government of India should see that the industries newly established in the country as also those which were already established were assured of adequate protection from foreign competition after the termination of the war.

Adequate tonnage for Export.—The Committee addressed a letter to the Economic Resources Board on the 17th

October, 1939 drawing attention to the difficulties experienced by exporters in getting adequate shipping facilities for exports of leather. The Committee pointed out that leather was an important article not only for the purposes of the Army but also for the civil population. The Committee requested the Government to make early arrangements for adequate shipping for export of leather.

Supplies of Chlorate of Potash, Amos-phosphorus and Match wax.—At the instance of Messrs Pioneer Match Factory the Committee addressed a letter to the Government of India on 28th December, 1939 drawing their attention to the shortage of the supplies of chlorate of potash, Amos-phosphorus and match wax. The Committee pointed out that chlorate of potash and amos-phosphorus came under the list of prohibited articles for export from U. K. and as such export licences were required for the same. As regards match wax the Committee pointed out that both the Standard Vacuum Oil Co., Ltd., and the Burmah-Shell Co. were short of stocks and declined to meet the demands. The Committee stated that these articles were essential for the manufacture of matches and they requested the Government to take early steps to secure supplies of these articles from foreign countries.

Granting of Licences on quarterly basis for export purposes.—At the instance of Mr. R. L. Nopany the Committee addressed a telegram and a letter on the 15th and 16th December, 1939 to the Government of India, Commerce Department referring to the notice issued by the Collector of Customs, Calcutta, that licences for export of goods specified in part E of the Schedule to the Government of India Notification of 25th November, 1939 *i.e.* raw jute, jute manufactures, raw cotton, cotton manufactures, oil seeds, oil cakes, rubber, hides and skins, mica, metals and metallic ores etc., would be granted on a quarterly basis only and that for the first quarter of 1940, applications for shipments to European Neutral Countries must be presented not later than the 25th December, 1939. The Committee pointed out that such a procedure would greatly handicap the export trade and no business on immediate shipment basis would be possible. The Committee

further stated that it would be impossible for exporters to make applications for licences as early as three months before the shipments. The Committee pointed out that orders might not have been received so early and when they would be actually received it would not be possible for the exporters to apply immediately for the licences and they would be required to wait for the time of submission of applications for the next quarter. The Committee thought that such a procedure would greatly handicap the export trade and suggested that the Government should issue immediate instructions for reverting to the old procedure under which licences were granted in the last week of the month preceding the month of shipment and applications for licences were to be submitted by the 25th of the month previous to the month for which the shipment was to be effected.

LAW AND LEGISLATION.

Bengal Money-Lenders Bill, 1939.—This subject has reference on page 80 of the last annual report. The Select Committee to which the Bengal Money Lenders Bill was referred to, made various changes in the Bill, which, it was felt would seriously hamper business and credit. The Committee therefore decided that representatives of the Chambers of Commerce in Calcutta might wait in a deputation on the Hon'ble the Chief and the Finance Ministers of Bengal in this connection. Accordingly at the instance of our Chamber, a deputation consisting of two representatives each of the Bengal Chamber, Bengal National Chamber, Marwari Association and our Chamber waited upon the Hon'ble the Chief and the Finance Ministers on the 19th February 1939 and submitted a Memorandum in which it was pointed out that the Bill amended by the Select Committee was expropriatory in character and was likely to impede the credit in the rural and urban areas. It was also pointed out that there was no justification in extending the scope of the Bill to commercial

loans and advances made by the Banks, Co-operative Societies, Insurance Companies and Provident Fund Societies. It was further stated that provisions relating to banks were *ultra vires* of the Provincial Legislation as the Government of India Act, 1935 specially excluded the regulation of banks, insurance companies etc., from the scope of Provincial legislature. The deputationists also objected to the provisions for fixing the rate of interest charged by Banks, the requirement for account books to be kept in Bengali language and the proposal to give retrospective effect to the provisions of the Bill which was likely to upset the past transactions made under the existing law. It was made clear that while the commercial community were not against legislation for regulation of money-lending applicable to rural areas, they strongly objected to the undue restrictions proposed to be placed on the business of money-lending by the Bill in question. Hon'ble the Premier and the Finance Minister promised to give sympathetic consideration to the various points raised by the deputationists in the Memorandum submitted by them. On the 14th March 1939 the Committee addressed a letter to the Hon'ble Chief Minister requesting him to enlighten the Committee as regards the position in connection with the provisions of the Bill which the Chief Minister had promised that he would discuss with the members of his Party.

The proposed introduction of Elective principle into the appointments to the Accountancy Board.— This subject has reference on page 83 of the last annual report. The Government of India, Department of Commerce by their Notification dated the 11th March 1939 invited the views of the Chamber on the amendments proposed to be made by them to Auditors Certificate Rules 1932 regarding the constitution of the Indian Accountancy Board. In June 1938 the Government of India had circulated a draft scheme in this connection which proposed the introduction of elective principle into the appointments to the Indian Accountancy Board. At that time the Committee opposed the restriction of eligibility to the Board only to approved accountants and had suggested that the Federation of Indian Chambers of Commerce and Industry should be allowed

to send representatives for at least 2 seats instead of one as proposed by the Government. According to the scheme in the Government's Notification dated the 11th March 1939 the Accountancy Board would consist of 20 members of which six would be nominated by the Central Government, two members to be nominated one by the Federation of Indian Chambers of Commerce and Industry and the other by the Associated Chambers of Commerce while 12 members were to be elected by registered accountants in the manner prescribed. The Committee replied on the 4th April 1939 referring to their letter dated the 2nd September 1938 in which the views of the Chamber regarding the draft scheme were contained and stating that the Committee had no further observations to offer.

Proposed Legislation for making Sand-Stowing compulsory in Coal Mines.—The Indian Colliery Owners' Association by their letter dated the 29th January 1939 invited the attention of the Chamber to the reports about the Government of India introducing in the Legislative Assembly a Bill making sand-stowing compulsory in mines which were considered unsafe in operation and imposing an excise duty on coal to be realised with the Railway Freight from all the collieries, in order to assist sand-stowing. The Committee therefore addressed a letter to the Government of India on the 3rd February 1939 strongly opposing the imposition of fresh burden by way of excise duty or cess and pointing out that Indian Mines Act together with the Coal Mines Regulations and other Rules were sufficient to ensure safety of workers in coal mines and they might be strengthened, if necessary, in order to eliminate dangers to workers. The Committee further stated that the number of collieries which were definitely unsafe to work without sand-stowing was a small one and instead of imposing a burden on the whole industry for the sake of these few mines, they might be required to close down if they were not workable except by sand-stowing. The Committee further pointed out that these unsafe collieries adopted certain wasteful measures in the beginning to get large outputs and made heavy profits and it would not be reasonable to burden the whole industry with a cess for their sake. The Committee also

expressed doubt if adequate supplies of sand and incombustible materials required for stowing would be available. The Committee therefore requested the Government not to proceed with any legislation before the question was thoroughly gone into. The Government of India replied on the 1st March 1939 acknowledging receipt of our letter.

Amendments to the Indian Coal Mines Regulations, 1926.—The Government of Bengal with their letter dated the 27th March 1939 forwarded Notification dated the 8th February 1939 issued by the Government of India proposing certain additional Regulations in the Indian Coal Mines Regulations, 1926 and invited the views of the Chamber thereon. The Regulation 70(*b*) proposed that in any mine in which inflammable gas had been found during the previous 12 months all unused workings in which such gas would accumulate and which were not permanently sealed off should be inspected once a week. Regulation 121(A) proposed that the Chief Inspector might require the manager of any mine in which mechanical ventilator was in use, to submit within one month standing orders specifying the action to be taken regarding the withdrawal of workmen in the event of stoppage of mechanical ventilators. The Committee replied on the 29th April, 1939 suggesting that the proposed regulation 121(A) should be applicable to gassy mines only.

The necessity of Drugs Legislation.—The Indian Chemical Manufacturers' Association, Calcutta, which is affiliated to the Chamber, forwarded a copy of the memorandum submitted by the Association to the Government of India requesting them to undertake early legislation to regulate the import, manufacture, storage and sale of drugs. The memorandum stated that the sale of adulterated, inefficient and spurious drugs had considerably increased in recent years and required an immediate control. The memorandum also contained the draft of a Bill prepared by the Association and the Government were requested to pass legislation on the lines of the Draft Bill. The Chamber was requested to lend support.

The Committee thereupon addressed a letter to the Government of India on the 7th March 1939, emphasising the necessity of early legislation, as indicated in the memorandum of the Chemical Association. The Government of India replied on the 20th March 1939 acknowledging the letter.

At the instance of Mr R. L. Nopany the Committee again addressed a letter on the 3rd July 1939 to the Government of India emphasising the necessity of the Government early undertaking legislation to regulate the import, manufacture and sale of drugs in India. The Government of India replied on the 19th July 1939 stating that the question was at present under their consideration and the necessary Bill would be introduced in the Central Legislature at the earliest possible date.

Draft Ceylon Ordinance for Insurance Business in Ceylon.—It was recorded on page 134 of last year's report that the Committee had addressed a letter to the Government of India suggesting them to make suitable modifications of the Indian Insurance Act whereby they would enter into reciprocal arrangements with the Ceylon Government and thereby eliminate the necessity of deposits being made, by Indian Insurance Companies in Ceylon under the Ordinance and by Ceylon Companies in India. The Assistant Actuary to the Government of India replied on the 18th March 1939 stating that amendment of the Indian Insurance Act, 1938 as suggested by the Chamber had not been considered to be a subject suitable for inclusion in the amending Bill that was before the Indian Legislature.

Bengal Shop Prices Regulation Bill, 1938.—The Secretary of the Bengal Legislative Council wrote to the Chamber on the 12th April 1939 forwarding a copy of the Bengal Shop Prices Regulation Bill, 1938 by Mr. Humayun Kabir and invited the opinion of the Chamber on the same. The Bill sought to prohibit "shop-keeper, retailer, or wholesaler" from displaying or selling any article without showing its sale price clearly marked in language easily understandable by his customers, selling the same article at different prices during different hours of business on

any particular day or selling the goods at the shop or outside at prices other than those marked on them. Shop-keepers dealing in vegetables, fruits, flowers and other vendors of goods which could not be marked with price were required to display writing notice in conspicuous place in their place of business showing the sale price of such goods Mercantile firms and Brokers dealing in shares, banks and godowns where goods are stored in their original packing, mills and factories, dealers in old postage stamps etc., were exempted from the operation of this Act. Power was proposed to be given to the Minister of Commerce to exclude by special permit any other shop. All shop-keepers were required to maintain cash and ledger books for inspection of shop-Inspectors at any time during business hours. The Committee replied on the 29th April 1939 stating that they were of opinion that legislation on the lines as envisaged in Mr. Humayun Kabir's Bill was not only impracticable but also against the interests of trade as well as consumers. Apart from the administration difficulty in enforcing the measure of this kind the Committee stated that it was obvious that such legislation if enforced would considerably increase the work and hence the expenses of the shop-keepers and would drive out men from the trade thus adding to the already large volume of unemployment. The Committee were therefore totally opposed to the Bill.

Draft Registration of Foreigners Rules, 1939.— The Government of India wrote to the Chamber on the 4th May 1939 forwarding a copy of the Draft Registration of Foreigners Rules, 1939 together with a copy of the press communique dated the 5th May 1939 which drew attention to the main features of the Draft Rules. The views of the Chamber were invited in the matter. Apart from foreigners to whom the Rules mainly applied there were two other classes of persons namely Hotel-keepers, Shipping and Aircraft companies etc., which were effected by these Rules. The Hotel-keepers were to keep a register and require every visitor on arrival at the Hotel to record and sign in the register his name and nationality etc. The Shipping and Aircraft companies were likewise required to furnish list of passengers to the Registration Officer at the time of the arrival in or departure

from British India of any vessel or Aircraft. Although in the Rules obligations were to some extent distributed between masters of vessels and pilots of aircrafts on the one hand and persons having the management of vessels and aircraft on the other, it was open to companies to make arrangements most convenient to them for the discharge of their obligations The Rules affected the general public also in so far every person irrespective of his nationality was required (*a*) prior to his arrival in or departure from British India on any vessel or aircraft to furnish certain information to the Master of the vessel or the pilot of the aircraft, (*b*) on arrival at any Hotel etc., to record and sign his name etc., in the register kept for the purpose.

The Committee replied on the 5th June 1939 submitting their views in the matter While the Committee were agreeable to the object of these rules they pointed out that no unnecessary burden should be imposed on persons other than those foreigners to whom the rules applied. The Committee referred to the rules which made it obligatory on every ship which embarked passengers from and disembark passengers at any port in British India to give certain information in regard to every passenger carried by the ship and stated that this would result in the shipping companies being required to furnish information about more than a million and a half of passengers travelling on the West Coast of India about a couple of lacs of passengers travelling between Bombay, Kathiawar Ports and Karachi and nearly 5 lacs of passengers travelling between Tuticorin and Colombo. The Committee further pointed out that it would be extremely difficult for the shipping companies to prepare a schedule giving certain particulars of all the deck or unberthed passengers who travelled on these various routes on some of which there were daily services and on others weekly or thrice a week service. The Committee therefore suggested that rules 4, 15 and 16 should be re-drafted so as to exempt ships carrying deck and unberthed passengers on the Western Coast of India between Bombay, Kathiawar Ports and Karachi and between Tuticorin and Colombo and between Indian and Burmese Ports from the operation of these rules. Regarding rule 16 which provided that the Master of any vessel arriving at or leaving any place in

British India should *inter alia* require every foreign passenger to attend at such place and time as may be specified by the Registration Officer for the purpose of giving such passengers directions prescribed by rule 6, the Committee stated that it was not proper that such a burden should be imposed on the shipowner for once the passenger left the ship he was outside the control of the Master of the Vessel or the shipowner As regards the information required to be furnished by any person leaving British India the Committee pointed out that only foreigners travelling on these routes may be required to comply with the provisions of rule 16.

Enforcement of Indian Tariff (Third) Amendment Bill.—At the instance of the United Oil Company (India), Ltd., the Committee addressed a letter to the Government of India on the 13th May 1939 enquiring as to when the Indian Tariff (Third) Amendment Bill was likely to come into force. The Committee pointed out that the Bill provided for important changes to be made in the Customs Tariff which had a great bearing on the daily import and export trade and the uncertainty with regard to the application of the revised Tariff was creating difficulties in the way of merchants. The Government of India replied on the 19th May 1939 stating that the Bill was expected to become law by the end of May 1939.

Amendment in the Bengal Motor Vehicles Rules, 1935.—On the 13th May 1939 the Government of Bengal forwarded to the Chamber a copy of their Notification dated the 3rd April 1939 proposing certain amendments in the Bengal Motor Vehicles Rules, 1935 and invited the views of the Chamber on the same. The amendments proposed that the drivers of motor vehicles other than public services, lorries and tractors shall not wear earphones when driving such motor vehicles and that no radio or gramophone shall be played in any public service vehicle, lorry or tractor The Committee considered the amendments and wrote to the Government on the 23rd May 1939 stating that they had no views to offer in the matter.

Amendment to the Indian Tea Cess Rules, 1937.—On the 3rd June 1939 the Government of India forwarded to

the Chamber a copy of their Notification in the Department of Commerce dated the 3rd June 1939 proposing certain amendments in the Indian Tea Cess Rules, 1937. The amendments proposed a change in the financial year adopted by the Committee. It was also proposed to hold the elections of the Executive Committee in September instead of in March as at present. The Committee wrote to the Government on the 24th June 1939 giving their views in the matter. They were of the opinion that the election of office bearers should be made at the Annual meeting in March rather than in the September meeting for at the latter meeting other important work such as consideration of the Budget statement and work programme for the ensuing year would have to be done.

Amendment in the Bengal Payment of Wages Rules, 1937.—On the 21st April 1939 the Government of Bengal forwarded a copy of their Notification dated the 21st April 1939 proposing certain amendments in the Bengal Payment of Wages Rules 1937. The amendments related to rule 18 of the Bengal Payment of Wages Rules which dealt with the annual return regarding fines imposed on workers. Under this rule every factory is required to send to the Chief Inspector of Factories by the 15th of February following the end of the calendar year the annual return in Form IV of the Rule in respect of any fines imposed on the workers or deductions for the breach of contract or for damages or loss which had been made from their wages during the previous year. It was now proposed that the employer should make the return not later than the 15th January instead of the 15th February. It was subsequently learnt that the Government had agreed to change the date of submission of returns to 1st February instead of the 15th February as proposed.

The Committee thereupon recorded the matter.

Bengal Municipal Amendment Bill, 1937.—On the 27th April, 1939 the Secretary to the Bengal Legislative Assembly forwarded to the Chamber a copy of the Bengal Municipal Amendment Bill, 1937, by Rai Harendra Nath Chaudhury

and invited the views of the Chamber on the same. The Statement of Objects of the Bill stated that section 18 of the Bengal Municipal Act was introduced in order to confer larger municipal representation in certain areas on industry and labour on the one hand and to secure in such municipalities fair representation of inhabitants not directly connected with the industry on the other. It was stated that the existing section 18 however left doubt whether in doing the former, the local Government were also bound to do the latter. It was therefore proposed that in a municipality where the number of Commissioners to be appointed by the local Government was increased or where any industrial constituency was constituted the local Government shall provide for the representation of the inhabitants who were not directly concerned with such industry or industries by the formation of electoral constituencies for the inhabitants on such basis as might appear to the local Government to be expedient.

The Committee replied on the 1st November, 1939, submitting their views on the subject. The Committee were agreeable to the principle of the Bill. They felt that in a municipality where larger representation was given to industry and labour, it was reasonable that a fair representation of inhabitants not directly concerned with the industry was secured. The proposed amendment, the Committee believed, would carry out the spirit of the original provision.

Bengal Agricultural Produce Markets Bill, 1939. —The Secretary to the Bengal Legislative Assembly wrote to the Chamber on the 25th July, 1939, forwarding a copy of the Bengal Agricultural Produce Markets Bill, 1939, by the Hon'ble Mr. Tamizuddin Khan, and invited the views of the Chamber on the same. It was mentioned in the Statement of Objects and Reasons that marketing of the products of agriculture was liable to a number of disadvantages and malpractices like tricks of the trade, multiform and excessive market charges and allowances, dis-similarity of scales of weights and measures, deficiency of communications, accommodations, shelter and sanitation, absence of reliable information regarding prices, etc., unjustified

and illegal discounts and deductions, by various kinds of hangers-on of the market, irresponsible inter-lopers, servants of the owners of the market, touts etc., defective system of commission selling etc., etc. It was pointed out that the result of these defects was that commodity values were lost in service costs, and agricultural produce cost more to distribute than to produce. The Bill therefore proposed to register all markets, fairs and hats to regulate the scale of market charges with a view to uniformity and reduction, to control trade practices, to ensure uniformity of scales of weights and measures, to improve the conditions of markets by providing better shelter, water and sanitary arrangements, to keep the cultivator well-posted in regard to the prices etc.

It was further proposed that Market Committees (mainly elected and representing all interests) for particular markets to regulate and control the marketing of agricultural produce by a system of licences of operators in the market, should be set up to achieve this aim.

The Committee of the Chamber replied on the 15th November, 1939, submitting their views in the matter The Committee were agreeable to the principle of the Bill They however suggested that the power to grant or cancel licenses should not be vested in the Market Committees as it might stand the danger of being abused in several ways. The Committee suggested that power should be given to the District Magistrate to grant all licences and no licences should be cancelled except after a judicial finding by the High Court or the District Court. The Committee further stated that a provision should be made that whenever an application for a licence was made, the same should automatically be granted, except when the person applying had been disqualified from holding a licence by a Court of Law or had been convicted of an offence involving moral turpitude. The Committee referred to the provision in this respect in the Bengal Money-Lenders Bill, as passed by the Bengal Legislative Assembly and suggested that similar provisions should be made in connection with the issue of licences in this Bill. The Com-

mittee further pointed out that a number of things had been left either to the discretion of the Advisory Committee or to be provided for in the Rules to be made by the Provincial Government. The Committee felt that when the grievances were known, the remedies should be incorporated in the Act itself so that persons interested in the same might have an opportunity of submitting their views on the subject

Bill to consolidate and amend the Law relating to arbitration in India.—The Government of Bengal wrote to the Chamber on the 1st August, 1939, forwarding a copy of the Indian Arbitration Bill and invited the views of the Chamber on the same. The object of the Bill was to consolidate and amend the Law relating to arbitration in British India. The existing Law of Arbitration was substantially contained in two enactments, the Indian Arbitration Act, 1899, and the Second Schedule to the Code of Civil Procedure, 1908. The operation of the former Act was confined to Presidency towns and its scope was limited to arbitrations without the intervention of a Court. The Second Schedule of the Code of Civil Procedure on the other hand dealt with arbitrations outside the operation and scope of the Arbitration Act and related mostly to arbitrations in suits. The Bill proposed to consolidate and standardise the Arbitration Law for the whole of British India.

The Committee submitted their views on the subject in their letter addressed to the Government on the 11th October, 1939.

Regarding clause 6 of the Bill, the Committee suggested that the arbitration agreement should be made similarly enforceable against the assignee of the contract, if it had been assigned before the dispute arose.

Clause 14 of the Bill proposed that the arbitrators or the umpire shall at the request of any party to the arbitration agreement or any person claiming under such party cause the award together with any depositions and documents to be filed in Court and the Court thereupon shall give notice to the parties of the

filing of the award. The Committee pointed out that in presidency towns Chambers of Commerce which conducted a number of arbitrations found it more convenient to return the documents to the parties concerned. The depositions and the documents were produced in the Court only if the Chamber was summoned to do so. The Committee therefore suggested that it should not be obligatory upon the arbitrators or umpire in case of private arbitration to ordinarily file in Court the depositions and documents unless called for.

Clause 12 of the Bill proposed that where the Court saw no cause to remit the award or any of the matters referred to arbitrations for reconsideration or to set aside the award, the Court shall after the time for making an application to set aside the award had expired or such application having been made after refusing it, proceed to pronounce judgment according to the award and upon the judgment thus pronounced a decree shall follow and no appeal shall lie from such a decree except on the ground that it was in excess of or not otherwise in accordance with the award. The Committee of the Chamber however believed that the existing law that the award would be executed as a decree immediately on its being filed, especially in presidency towns should be retained. To obtain judgment upon the award in every case and to get the decree thereafter would not only be cumbrous but also dilatory and expensive. The Committee were further afraid that the procedure to get judgment and decree would give an incentive to debtors to raise frivolous objections and obstruct the executions as long as possible. The Committee were therefore of opinion that the proposed change would amount to inviting the debtors to raise objections and put forth obstacles merely for the sake of doing so.

Clause 29 of the Bill proposed that the Court might, if it thought fit, whether the time for making an award had expired or not and whether the award had been made or not, enlarge from time to time, the time for making an award and that any provision in the arbitration agreement whereby the arbitrators or the umpire might enlarge the time for making the award, shall

be void and shall have no effect The Committee of the Chamber were however of opinion that the existing law of allowing the arbitrators or umpire to enlarge the time for making the award was very convenient and salutory. It had been found that in the majority of the cases an award could not be made within three months as mentioned in the First Schedule. The Committee therefore suggested that arbitrators should be allowed to extend the time by and up to six months by endorsement without recourse to the Court. Several other minor suggestions regarding the proposed amendments were also made.

Official Trustees (Bengal Amendment) Bill, 1939. —The Secretary to the Bengal Legislative Assembly wrote to the Chamber on the 21st April, 1939, forwarding a copy of the Official Trustees (Bengal Amendment) Bill, 1939, by the Hon'ble Nawab Musharruf Hossein and invited the views of the Chamber on the same. It was stated that the Government were advised that according to section 19 of the Official Trustees Act, 1913, what is known as 100% Audit was required to be made of the accounts of all the estates. To carry this out required unnecessary expenditure to the estates and the section was proposed to be amended to permit a suitable fractional audit. The Committee submitted their views on the Bill in their letter dated the 26th August, 1939, addressed to the Government of Bengal. The Committee stated that they were not able to appreciate as to what would be the effect of the amendment, for the Bill did not give details as to how a suitable fractional audit was to be carried out. The Committee were therefore unable to give any definite views on the question.

Administrator General's (Bengal Amendment) Bill, 1939.—The Secretary to the Bengal Legislative Assembly wrote to the Chamber on the 21st April, 1939, forwarding a copy of the Administrator General's (Bengal Amendment) Bill, 1939, and invited the views of the Chamber on the same. The Bill had been framed to provide certain improvements in the Administrator General's Act, 1913, in order to increase its utility, first, in cases where there was apprehension of danger to the estate of a

deceased person, by enlarging the scope of sections 10 and 11 of the present Act so that they might apply not only to estates in Calcutta, and secondly by enabling the Administrator General to take charge of an estate without letters of administration if he was requested to do so by the widow or other person entitled to administer it. It was stated that the Government were advised that according to section 45 of the Act, what was known as a 100% audit was required to be made of the accounts of all estates. To carry out this required unnecessary expenditure to the estates and the section was proposed to be amended to permit of a suitable fractional audit.

The Committee submitted their views on the 26th August 1939. The Committee referred to clause 6 of the Bill which sought to do away with the necessity of the Administrator General notifying the fact of his having fully administered the estate in the Official Gazette and stated that the provision in sub-section 1 of section 27 of the Administrator General's Act of 1913, requiring the Administrator General to notify the fact of his having administered the estate in the Official Gazette should be retained. Regarding clause 10 the Committee stated that they were not able to appreciate clearly as to what would be the effect of the amendment as the "suitable fractional audit" was not defined in the amendments.

Draft Bengal Factories Rules, 1939.—The Government of Bengal forwarded for views of the Chamber, a copy of their Notification dated the 8th July, 1939, publishing the Draft Bengal Factories Rules, 1939. The Draft Bengal Factories Rules included all the various rules which were in force in the Province in addition to the existing Factories Rules. The opportunity had also been taken to make certain amendments in the Rules. The definitions of "driving belt" and "electrical apparatus" had been added. In Rule 6 an additional sub-rule was made stating that the number of workers in a factory for whom septic tank latrines shall be deemed to provide accommodation, shall be the number of daily users as approved by the Director of Public Health or the number of workers provided for on the scale specified in sub-

rule (1) whichever is less and where the number so calculated was less than the total number of workers employed, the accommodation provided in the way of septic tank latrines shall not be deemed to be sufficient within the meaning of section 20. A number of other minor alterations were also made.

The Committee of the Chamber submitted their views in the matter on the 10th October, 1939 to the Government of Bengal. Regarding rule 6 the Committee pointed out that many of the factories had got such latrines in the cooly quarters. While calculating the number of latrines in a particular factory, either the latrines in the cooly quarters should be taken into account or the number of actual daily users plus a certain percentage of the same should be considered to be the determining factor in the number of latrines required under these rules. Regarding the proposed provision in rule 29 that no driving belt when not in use shall be allowed to rest or ride upon the revolving shaft, the Committee pointed out that whenever the belt slipped from the driving pulley it fell on the revolving shaft and had to remain there until it was either put back on the drum or taken off altogether. Regarding the provision in rule 48 that no child under the age of 12 years shall be permitted within the compounds or of precincts of jute mills, pressing factories etc., the Committee pointed out that some mills had got schools and play grounds attached to the same in addition to the staff quarters situated inside the compound and children under 12 years had got to go there. The Committee suggested that in such cases the precincts of the jute mills should relate only to rooms where the work was carried on and the provision should not apply to compounds. The Committee also pointed out that the time allowed for submitting annual returns was short and should be extended to the 31st January, instead of 15th January.

Draft Bengal Employment of Children (Work Shops) Rules, 1939.—The Government of Bengal forwarded to the Chamber on the 20th July, 1939, a copy of their notification of the same date publishing the Draft Bengal Employment of Children (Work Shops) Rules, 1939, and invited the views of

the Chamber on the same. Rule 3 of the proposed Rules provided that an Inspector might enter any work shop wherein persons were employed in any of the processes mentioned in the Schedule to the Act or any premises which he might suspect to be a work shop and might take on the spot or otherwise such evidences of any persons and exercise such other powers of inspection as he deemed necessary for carrying out the purpose of the Act. The processes mentioned in the Schedule of the Act were bidi making, carpet weaving, cement manufacturing including bagging, cloth printing and dyeing and weaving, manufacture of matches, explosives, and fire works, mica cutting and splitting, shellac manufacture clipping and wool cleaning. The Committee considered the matter but they had no observations to make on the subject.

Central Boilers Rules.—The Government of Bengal invited the views of the Chamber in regard to the Notifications No. A-907 dated the 15th February 1939, No. A-912 dated the 15th February 1939 and No. A-907 dated the 31st January 1939 issued by the Central Boilers Board proposing certain amendments to the Indian Boilers Regulations, 1924. The Committee after consulting interested members replied on the 24th April 1939 stating that they approved of the amendments proposed by the Central Boilers Board.

Amendments in the Indian Boiler Regulations, 1924.—On the 9th March 1939 the Government of Bengal forwarded to the Chamber a copy of the Central Boilers Board Notification dated the 15th February 1939 proposing certain amendments in the Indian Boiler Regulations, 1924 and invited the views of the Chamber on the same. The amendments related to fittings and mountings. The Committee considered the amendments and approved of the same and they informed the Government of Bengal accordingly on the 24th April 1939.

Proposal to exclude sterilizers from the scope of the Indian Boilers Act, 1923.—The Government of Bengal wrote to the Chamber on the 23rd June 1939 forwarding

a copy of a letter from the Government of India, regarding the proposal to exclude sterilizers from the scope of the Indian Boilers Act, 1923. The views of the Chamber were invited in the matter. The letter stated that it was brought to the notice of the Government in 1937 that the words "for use outside such vessel" in the definition of boiler in section 2(b) of the Indian Boilers Act, 1923, excluded disinfectors of autoclave construction from the operation of the Act and that such vessels constituted a source of danger unless properly supervised. The Government of India had consulted the Provincial Governments in the matter and it was found that there was no uniform practice observed in the Provinces in this connection. There was however a strong majority of opinion that whatever the proper interpretation of the definition of boiler was, the words should be omitted and that disinfectors of over 5 gallons capacity should be brought under regulation. The Government of India therefore made an amendment in the Act in 1929 to this effect. It was further stated that representations were however made subsequently to the Government on the subject and it appeared to them that there were types of apparatus such as sterilizers, tyre vulcanisers etc., which involved so little danger as not to justify the trouble and expense of bringing them under regulation and inspection. The Government of India consulted the Central Boilers Board in the matter and they also proposed that sterilizers should be excluded from the scope of the Indian Boilers Act. The Government had proposed this amendment.

The Committee replied on the 19th September, 1939, stating that they had no objection to the proposal made by the Government of India to exclude sterilizers from the purview of the Boilers Act.

Amendments to the Indian Electricity Rules, 1937.—On the 23rd February 1939 the Government of Bengal wrote to the Chamber forwarding copy of a Notification dated the 2nd February 1939 issued by the Central Electricity Board proposing draft amendment to Rule 51 of the Indian Electricity Rules in connection with the identification marks on the earthed

neutral conductor and also in connection with switches. The Committee replied on the 24th April, 1939 stating that they were opposed to the proposed clause 1 of the rule 51 which made the owner of the neutral responsible for putting identification marks on the earthed neutral conductor. The Committee stated that the existing rule which fixed the liability on the licensee should be maintained as the ordinary consumer having no technical knowledge and assistance should not be made liable for the same. As regards the proposed clause 3 regarding switches the Committee stated that the meaning was not clear

The Government of Bengal forwarded on the 29th April 1939 for views of the Chamber the Central Electricity Board Notifications dated the 16th March and 31st March 1939 proposing certain amendments in the Indian Electricity Rules, 1937. The amendments related to erection of telephone lines in proximity to an aerial line. The Committee considered the amendments and wrote to the Central Board on the 6th June 1939 in the matter. The Committee were agreeable to the amendments but pointed out that in the new sub-rule which was proposed to be substituted for sub-rule 2 of Rule 74 by the Notification dated the 16th March 1939, telephone lines should also be included as the same also came within the scope of this rule. The Committee suggested that the words "or telephone" should be inserted before the word "line" to remove any doubt. Regarding the Notification dated the 31st March 1939 the Committee had no views to offer.

On the 1st September, 1939 the Government of Bengal sent to the Chamber a copy of the Notification dated the 9th August 1939 issued by the Central Electricity Board proposing certain amendments to the Indian Electricity Rules, 1937. It was proposed to add a clause to sub-rule 1 of rule 2, defining the word "tower wagon". Tower wagon, it was stated, meant "a self-supporting wooden structure capable of being extended in height by mechanical means and carrying a suitably arranged platform at its highest level and certified by an inspector as suitable for the purpose intended". A new rule 59A was proposed to be added

providing that the provincial Governments may order any licensee or non-licensee to be in possession of and maintain in working order such number of tower wagons as in their opinion the circumstances warranted.

The Committee wrote on the 11th November, 1939 to the Central Electricity Board submitting their views in the matter. They pointed out that the cost of a tower wagon on rubber tyre transport would not be less than Rs. 750/- and compulsory maintenance of such tower wagons would impose an unnecessary burden on the licensee or the non-licensee. In the opinion of the Committee the present practice of binding two ladders, so that the structure assumed the shape of an inverted V, was quite efficient when work was carried out between a pole span The Committee further pointed out that non-licensees should not be included within the purview of the amendments.

Amendments to the Petroleum Rules, 1937.—The Government of India by Notification dated the 29th November 1938 invited the views of the Chamber in regard to the amendments proposed by them in the Petroleum Rules, 1937, which provided that the licensees might and if so required by the District Authorities should stock in a building within the licensed premises 6 gallons of petrol, contained in sealed standard 2 gallon petrol tins for sale to the public. The Committee replied on the 18th January 1939 stating that they had no objection to the amendments.

On the 19th April 1939 the Government of Bengal forwarded a copy of the Government of India, Department of Labour Notification dated the 16th March 1939 proposing certain amendments to the Petroleum Rules 1937 and invited the views of the Chamber on the same. The amendments proposed that petroleum shall not be placed in any motor vehicle while the engine was running and where the vehicle was licensed for the conveyance of more than six passengers on hire, while any passenger remained in the vehicle. It was further proposed that persons engaged in connection with any motor vehicle shall not be permitted to

smoke while it was being refuelled. The Committee considered the amendments but had no views to offer in the matter.

On the 8th November, 1939 the Government of Bengal forwarded to the Chamber a copy of the Government of India Notification No. M-1262 dated the 10th October 1939 proposing certain amendments to the Petroleum Rules, 1937 The existing rule 115 provided for the grant of licences for importation and storage of petrol and the procedure thereof. The amendment proposed to add a proviso to the effect that no new licences in form L shall be granted at the ports of Calcutta, Madras, Bombay, Karachi or Cochin except with the previous sanction of the Central Government. Form L referred to licences to import dangerous petroleum and to store petroleum in installations. The existing rule 118 providing for an amendment of licences by the issuing authority was also proposed to be amended by adding a proviso that no licences in form L granted at the ports of Calcutta, Madras, Bombay, Karachi or Cochin would be amended so as to increase the quantity licensed to be stored except with the sanction of the Central Government. The matter is receiving attention.

Delay in Transmission of references from the Government of India to the Chamber.—Regarding the Notification dated the 16th March 1939, the attention of the Committee was drawn to the fact that the reference from the Government of Bengal dated the 19th April 1939 was received in the Office only on the 10th May 1939 *i.e.* five days before the last date for submission of views. The Committee thereupon addressed a letter on the 17th May 1939 to the Government of Bengal pointing out the cases of such delay. It was further stated that it was found difficult for the office to obtain the views of its interested members on the various references when only a few days' time was left for the submission of views. The Committee requested the Government to avoid unnecessary delay in inviting views on such matters.

Regulation of prices of petrol.—Messrs. Western India Oil Distributing Co., Ltd. wrote to the Chamber on the 20th

August, 1939 stating that the distributing trade in Petrol, kerosene and diesel oils and other petroleum products was monopolised by a combine of foreign companies operating through a common distributing organisation known as Burmah-Shell. They pointed out that this combine charged very high prices for petrol and made huge profits and if any Indian concern tried to operate in the field, it was driven out by this combine by resorting to severe rate cutting. Messrs. Western India Oil Distributing Co. further mentioned that they had been for a long time urging the Government to adopt a measure for fixing maximum and minimum prices of petrol and the Government of Bombay declared their intention to introduce such a measure in the Provincial legislature. The Chamber was requested to support this legislation so that the hands of the Bombay Government may be strengthened.

The Committee therefore addressed a letter to the Indian Merchants Chamber, Bombay, on the 5th September, 1939 expressing their approval of the proposal of the Government of Bombay to control the prices of petrol, kerosene and other petroleum products. The Indian Merchants Chamber replied on the 18th October 1939 stating that they had enquired from the Government of Bombay about their exact proposals in the matter and the Government had replied that the matter was under consideration and it would take sometime before the final proposals were formulated.

Amendments to Auditors Certificates Rules.—The Government of India forwarded to the Chamber a copy of their Notification No. 1-A(3)/39 dated the 28th October, 1939 in the Department of Commerce proposing certain amendments to the Auditors Certificates Rules. A new rule was proposed to be added after rule 22 whereby if a person who was attending an institution recognised by the Government or serving as an articled clerk, took up military service in connection with war in which His Majesty's Government was involved, he would for the period of such duties be deemed to have attended such an institution. Two further sub-rules were proposed to be added to rule 38. These provided that if a registered accountant entitled to train articled clerks took

up military services he would be deemed to be in practice for the duration of his duties. A registered accountant serving as a paid assistant in a firm of Registered Accountants was also to be considered to be in the service of the same firm if he took up military duties. The Committee considered the proposed amendments but had no views to offer on the same.

Draft Cotton grading and marking Rules, 1939.—On the 10th October 1939 the Government of Bengal forwarded to the Chamber a copy of the Government of India, Department of Commerce Notification dated the 12th September 1939 regarding Draft Cotton Grading and Marking Rules The Rules applied to cotton of specified botanical varieties grown in India. The grade designations were set out in schedule 1, to indicate the character and quality of cotton. The Rules were applicable only to cotton in full pressed bales The grade designation mark to be applied to each bale consisted of a label bearing on white ground the designation set out in schedule 2 of the Rules. The label was required to be fixed to the Hessian cloth wrapper and held securely in position by at least three hooks and the label was to be placed against one or other of the flat side of the bale. The label was to show the grade designation and the date on which the bale had been pressed. The matter is receiving the attention of the Committee.

Bengal Shops and Establishments Bill, 1939.—It was mentioned in the report last year that the Government of Bengal had written to the Chamber that a Draft Bill to regulate the conditions of work of employees in all classes of shops was under the consideration of the Government. On the 19th December, 1939 the Government of Bengal forwarded to the Chamber a copy of the Bengal Shops and Establishments Bill, 1939 introduced in the Legislative Council on the 11th December, 1939 and invited the views of the Chamber on the same. The Committee considered the Bill and submitted their detailed views on the same on the 30th January, 1940. Many of the suggestions previously made by the Chamber on the subject were accepted by the Government and incorporated in the Bill. The Committee however

pointed out that the proposed 1½ days' holiday for shops, commercial establishments and establishments for public entertainment would greatly dislocate trade and business as the introduction of the principle of holidays so far as shops and commercial establishments were concerned was itself a new departure from the existing practice. The Committee stated that in actual practice the observance of half-a-day holiday would mean a full holiday. The Committee therefore suggested that only one full day's holiday should be allowed in a week. As regards the proposal to fix the closing hour of shops at 8 P.M. the Committee suggested that it should be extended to 9 P.M. for it was only after office hours in the evening that shops had their busy selling periods. The Committee also pointed out that on certain festival days in the year, for example, Diwali, it was the custom to keep the shops open till late in the night and it was therefore essential that adequate provision should be made in the Bill with regard to exemption on such days. Regarding the proposed limit of 208 hours in a month for commercial establishments, the Committee felt that it was not necessary to fix the hours of work for commercial establishments on a monthly basis. With regard to the proposal about overtime wages, the Committee pointed out that conditions in shops and commercial establishments were not similar to those in factories and it was very difficult to maintain an accurate to-the-minute calculation. The Committtte were therefore of opinion that the matter should be left to the good sense of the employers. As regards penalties under the Act, the Committee stated that the punishment for contravention of the provisions of the Bill should be confined only to fines and the period of six months rigorous imprisonment was too long. If the penalty of imprisonment was at all to be kept, the same might be limited to a fortnight.

MARINE.

Rates of Compensation payable to Indian Seamen for short or bad provisions.—On the 25th March 1939 the Committee received a letter from the Principal Officer, Mercan-

tile Marine Department, Calcutta forwarding a copy of the Government of India's letter dated the 7th March 1939 regarding the rates of compensation payable to seamen for short or bad provisions. In their letter dated the 7th March 1939 the Government of India referred to the question put in the Legislative Assembly in this connection in which the questioner enquired whether the Government would be prepared to make necessary amendment in section 86(1) of the Indian Merchant Shipping Act, 1939 so as to raise the rates of compensation for Indian Seamen and equalise them to those granted to European seamen. The Government of India stated that at present there were two different sets of rates one for the Indian seamen and the other for European seamen, the rates for the latter being higher than those for the former. It was also pointed out that the corresponding provision in the English Merchants Shipping Law did not make distinction and prescribed a single set of rates which was higher than those for the Indian seamen prescribed in the Indian Merchants Shipping Act. The Government of India therefore felt that this distinction between the Indian and European seamen should be removed. Moreover, according to them, cases in which compensation was paid were few and hence the changes contemplated would not result in any appreciable increase of expenditure to the Shipping Companies. The Government of India however desired to have the views of the Chambers of Commerce and Shipping Companies in the matter. The Committee replied on the 1st June stating that though as pointed out in the Assembly, the difference might have been due to the fact that the ordinay dietory of the European Seaman costs more than that of the Indian Seaman, they were agreeable to the removal of the existing discrimination in these rates. The Committee suggested that the rates for compensation fixed for European Seamen might be extended to Indian Seamen and they did not feel there was any necessity to raise them to the level of the rates fixed under the English Merchant Shipping Act.

The Report of the Imperial Shipping Committee. —The Government of India wrote to the Chamber on the 5th June 1939 stating that the report of the Imperial Shipping Com-

mittee on British Shipping in the Orient was at present under their consideration and before formulating their views they would be glad to have the observations of the Chamber upon the same.

On the 10th August 1939 the Committee submitted a comprehensive representation to the Government on the subject. The Committee referred to the definition of "British Shipping" so as to include "shipping registered at any port in the British Commonwealth (including the Indian Empire)" and stated that the definition had no value because of the entire absence of participation of Indian shipping in the overseas trade of the country. The Committee further stated that while India had been unable to participate in the foreign trade of the country and the Government of India had been statutorily denied the rights and powers enjoyed by the dominions in regard to their coastal trade or their shipping the burden and responsibilities of an Imperial Shipping Policy had been imposed upon India. The Committee pointed out that in such matters as the benefit of Lee passenger concessions and preference in respect of carriage of officers and goods in British ships in pursuance of an Empire maritime policy, the Government of India had endeavoured to implement an Imperial Shipping policy. The Committee further stated that the Imperial Shipping Committee recognised that while Japanese shipping which was the keenest competitor of the British Shipping of the orient and which had displaced it in several spheres in maritime trade enjoyed a very considerable measure of support from patriotic sentiment of Japan, British shipping in the threatened trade of the orient had no comparable support from the peoples of the British countries in and near that part of the world. The Imperial Shipping Committee acknowledged that it was natural that it should be so as those British countries were not themselves owners of much shipping while the Japanese shipping was one of the most important industries in Japan. According to the Committee these observations went to the root of the problem. They further stated that it was pointed out to the Imperial Shipping Committee that the support of the Indian trading interests for British shipping must be conditional upon action to encourage the development of the Indian owned mercantile marine.

The Committee further dealt with the concrete proposals made by the Imperial Shipping Committee. Regarding their suggestions that consideration should be given by the Government to the practicability of Financial assistance to the shipping companies towards the cost of operation and for the modernisation of their fleet as a part of solution of their difficulties, the Committee stated that similar action should be taken by the Government of India to assist the Indian national shipping. They however pointed out the anamolous position under the Government of India Act, 1935 to which attention had also been drawn by the Imperial Shipping Committee themselves, whereby the British Shipping could claim to receive subsidies from Indian revenues in the event of such subsidies being granted to Indian shipping. The Committee pointed out that while Indian shipping could not receive similar assistance from the British Treasury and moreover when Indian shipping was still in an incipient stage as compared to British shipping, it was preposterous to treat them on the same basis especially when protection had in fact to be given to Indian shipping as against this very form of Empire shipping which had refused to admit the Indian shipping as an equal partner even in its home waters. The Committee further stated that concrete and constructive proposals for financial assistance for Indian shipping in order to enable it to participate in the overseas trade of the country had been made but had no favour from the Government of India. According to the Committee it would not be enough if the restriction to the entry of Indian shipping in the overseas trade was removed in the sense of merely permitting its participation as since carriage on all maritime trade routes from or to India was already controlled by long established non-Indian shipping companies, it would be impossible for Indian shipping to get a footing in such trades unless it was actively encouraged and assisted by financial assistance on the one hand and on the other by inducing the non-Indian particularly British shipping companies to accomodate Indian shipping and admit them into the Conference arrangement concerned with reasonable quotas.

Regarding the other proposal made by the Imperial Shipping Committee that there should be co-operation of the merchants and bank interests concerned to ensure that a fair and reasonable share of the carrying trade between the various parts of the Empire and Japan was allotted to the mercantile marine of the Empire, the Committee stated that such co-operation could not be secured unless the entire outlook and policy of British commercial interests towards Indian enterprise and particularly of British shipping towards trade aspirations, demands and efforts of Indian shipping were radically altered.

As regards the suggestions about the necessity of co-operation of the Governments of the parts of the Empire concerned as well as the need to develop a greater degree of co-operation between the shipping lines based on the United Kingdom and the growing mercantile marines of the other parts of the Empire, the Committee stated that such willing co-operation on the part of the Indian commercial and industrial interests as well as of Indian shipping can only be obtained provided the British shipping interests were prepared to recognise the legitimate claims of Indian shipping in the coastal and overseas trade of the country. Regarding the suggestion of the Imperial Shipping Committee about developing some new form of organisation appointed by the Governments concerned and specially charged to watch over British shipping in middle and Far Eastern Waters, the Committee stated that before the Government of India agreed to any such scheme of any organisation or to participate in any such policy, the rights and powers of India as an equal and independent maritime unit in the British Commonwealth should be fully recognised in any such organisation and only the representatives of national shipping interests should be members and such organisation so far as India was concerned should function in harmony with such national shipping policy as may be laid down by the Indian Central Legislature.

Figures of passengers embarking from Calcutta. —At the instance of Mr. G. L. Mehta, the President of the Chamber, the Committee addressed a letter on the 12th June 1939 to

the Port Commissioners regarding the publication of statistics about passenger traffic emanating from or terminating at Calcutta. The Committee regretted that the Port Commissioners did not see any necessity to collect and publish such figures on the grounds that they did not recover any charges from the passengers. The Committee pointed out that the question should be looked at from a broader point of view and requested the Commissioners to reconsider the matter and try to collect and publish the information desired. The matter was also referred to Mr. Faizulla Gangjee the representative of the Chamber on the Port Commissioners. The Port Commissioners on the 3rd July 1939 replied stating that it was decided at their meeting that statistics of passenger traffic should be collected and arrangements had therefore been made accordingly. Mr. Faizulla Gangjee also informed the Chamber about the same.

Enhancement of rent at Jaggernath Ghat.—At the instance of Messrs. Hossain Kassam Dada the Committee addressed a letter to the Commissioners for the Port of Calcutta enquiring about the enhancement in the rent for lands at Jaggernath Ghat. The Port Commissioners replied on the 21st June 1939 that the Improvement Trust had recently widened the narrow across road of the Commissioners to 65 feet and it was the rate of rent of the land abutting this new road which had been revised. The matter was also referred to Mr. Faizulla Gangjee, representative of the Chamber on the Port Commissioners and he informed the Committee that the Port Commissioners had agreed to reduce the revised rates.

Carriage of Safety Matches by Steamer Companies.—Messrs. Pioneer Match Factory wrote to the Chamber on 9th June 1939 enclosing copies of correspondence passed between them and Messrs. Macneill & Co., as also the Chief Inspector of Explosives in India. It appeared that Messrs. Macneill & Co., accepted safety matches manufactured by the Western India Match Co., packed in double ocean paper for carriage by their mail and feeder steamer services but had refused to accept the goods of the Pioneer Match Factory for carriage. When the

matter was referred to the Explosives Department, the Chief Inspector did not recommend the packing of the Pioneer Match Factory for the purposes of such booking by steamers. When it was pointed out to the Chief Inspector that goods of the Western India Match Co., similarly packed were accepted he replied that he was not aware of the circumstances under which the goods of the Western India Match Co., were accepted by Messrs. Macneill & Co., for carriage. When the matter was referred again to Messrs. Macneill & Co., they merely replied that the goods of the Western India Match Co., were tested. According to the Pioneer Match Factory the matches manufactured by the Western India Match Co., had not been tested. Moreover when all the railways had been accepting their goods there was no reason according to them why this difference between European and Indian manufacturers should be made by the steamer company. The matter is receiving attention.

Steamer Freight rates on Hemp and Jute.—At the instance of Messrs G. D. Daga & Co., the Committee addressed a letter on the 8th July 1939 to the U. S A. Liners Conference pointing out that it was unreasonable that the rate of freight on hemp which was a cheaper commodity should be higher than that for jute to U.S.A. ports. The Committee suggested that the rate on hemp should be reduced and made equal to that for jute as was the case till now. The U.S.A. Liners Conference replied on the 11th July 1939 stating that the rates of freight were controlled by the Secretaries of the Conference in London to whom a reference was made in the matter but they had replied stating that no reduction could be made in the hemp rate. The Secretaries of the U.S.A. Liners Conference wrote to the Chamber on the 9th August 1939 stating that the Conference had now agreed to a reduction in the rate to 28*s*. 9*d*. per 40 cubic feet with effect from shipments which had gone forward on and from the 16th May 1939.

Supply of water to vessels in the Port of Calcutta.—On the 8th July, 1939 the Committee addressed a letter to the Commissioners for the Port of Calcutta inviting attention

to a press report to the effect that the Water Supply Committee of the Corporation of Calcutta had recommended that the work of supplying water to vessels in the port be entrusted to a private firm. The Committee referred to the suggestion made as far back as 1930 that the work of supplying water to vessels in the port should be taken up by the Port Commissioners and pointed out that it was of vital importance to shipping that a regular and sufficient supply of water to ships in the port was maintained. The Committee were therefore of opinion that in the interest of shipping and the port the supply of water should be undertaken by the Port Commissioners. The Commissioners replied on the 17th July 1939 stating that they were willing to take over the work of supply of water to vessels in the port but it would be necessary to get the Calcutta Port Act amended in order to enable them to maintain water boats required for the purpose. They further stated that the Calcutta Municipal Act would also have to be amended to relieve the Corporation of their obligation to supply water on demand. The question of rate for supplying water would according to them depend on the rate which the Corporation would charge the Commissioners for the same.

Shipping Conference.—On the 22nd July 1939 the Committee addressed a telegram to the Government of India stating that Indian shipping interests would remain unrepresented on the Conference of shipping interests convened by the Hon'ble the Commerce Member to examine the difficulties and problems facing shipping companies in India, as the Chairman of the Scindia Co., one of the premier Indian shipping concerns, was out of India. It was further stated that the Chairman of the Scindia Co., was engaged at that time in direct negotiations with British Shipping Representatives and the Government of India were aware of the same. The Committee therefore urged postponement of the Conference till the following month when the Chairman of the Scindia Co., might return to India so that the representatives of the various shipping interests might be enabled to meet and fully discuss the problems facing Indian shipping including the participation of Indian owned shipping in the overseas trade of the country.

Days allowed free of rent from general landing date of vessels.—The Marwari Chamber of Commerce had some correspondence with the Port authorities at Bombay and Calcutta on the subject of number of days allowed free of rent from general landing date of vessels. They were informed that in Bombay the Port Commissioners allowed 5 days free of rent from the general date of landing of vessels, while the Calcutta Port Commissioners allowed only three days. The Marwari Chamber therefore wrote to the Commissioners for the Port of Calcutta requesting them to allow 5 to 7 days free of rent from the general landing of vessels. The Commissioners were however not agreeable to the suggestion. The Marwari Chamber contended that due to such discrimination the trade of the Port of Calcutta was being diverted to Bombay. The Port Commissioners thereupon required to have figures which might show that the trade of Calcutta had been diverted to Bombay on this account. The Marwari Chamber wrote to the Chamber on 15th August, 1939, requesting them to take up the matter with the Port Commissioners. The matter was taken up through Mr. Faizulla Gangjee, the representative of the Chamber on the Calcutta Port Commissioners and the Committee understood that a further reply had been sent to the Marwari Chamber by the Port Commissioners. The Committee thereupon enquired from the Marwari Chamber whether the same was found satisfactory. The latter forwarded a copy of the letter to the Chamber. It appeared that the accommodation in the jetty sheds in Calcutta was small, whereas in Bombay there were large imports sheds. The Port Commissioners therefore were not agreeable to increase the free days but they pointed out that remission had been granted in the past and would be given in future if the importers found it difficult to remove the goods in time for no fault of their own. The Marwari Chamber had replied regretting that the Port Commissioners did not find it suitable to increase the number of free days but they expressed satisfaction at the assurance that remission in rent would be made if the importer could not remove the goods from the jetty sheds, without any fault on his part.

Deletion of certain words in the General Indemnity Agreement.—The Deputy Chairman of the Port Commissioners wrote to the President of the Chamber on the 4th August, 1939, stating that there was an arrangement whereby steamer agents gave to the Port Commissioners mainly for the Far Eastern Steamers, a general indemnity agreement on the strength of which the Port Commissioners gave delivery, in the absence of a Bill of Lading, on the local delivery order of the steamer agents. This agreement contained the words "or if such order or orders shall so authorise to the order of such person or persons". It was further pointed out that the Bill of Lading drawn to order passed by endorsement and if the holder of the Bill of Lading wished to sell a part or whole of the consignment covered by it he was entitled to issue a delivery order stamped with one anna stamp to his buyer. The rule of the Port Commissioners for many years had however been that such a delivery order must be issued to a named buyer and could not pass by endorsement. The system of allowing delivery against agents delivery order which by virtue of the General Indemnity Agreement was issued in the absence of a Bill of Lading was at complete variance with this standing procedure. The Deputy Chairman of the Port Commissioners had therefore proposed to delete the words mentioned above from the agreement but before doing so he had invited the views of the Chamber whether the change would materially inconvenience steamer agents or importers engaged in the Far Eastern Trade.

The Committee considered the matter but in view of the talk Mr. Faizulla Gangjee, the representative of the Chamber on the Port Commissioners, had with the Deputy Chairman of the Port Commissioners, the matter was recorded.

Allocation of quota in Haj Pilgrim Traffic.—Learning that the Government of India had allotted quota in the Haj Pilgrim Traffic and only 25 percent of the traffic had been given to the Scindia Steam Navigation Company while 75 percent was given to the Moghul Line, a non-Indian concern, the Committee addressed a telegram to the Government of India protest-

ing against the decision of the Government in the matter. The Committee pointed out that the allocation was highly detrimental to the interests of national shipping in India. The Committee further stated that the Scindia Company's participation in the Haj service had been acknowledged to have greatly helped the interests of Haj pilgrims in the matter of securing amenities and conveniences and the present action of the Government was therefore likely to prejudice not only the interests of national shipping but also that of the pilgrims themselves. Moreover the unfair allocation of the quota was against the repeated assurances of the Government's solicitude for encouraging national shipping and the Indian commercial community therefore entertained serious apprehensions in the matter The Government of India replied on the 18th November, 1939 enclosing a copy of their press communique issued in this connection. It was stated that at the outbreak of war it seemed doubtful whether any ship would be available for pilgrim traffic at all and the Government of India had to make special arrangements for a limited number of ships to be available The Government further stated that it became clear however that regulation of pilgrim shipping sailings was essential not only to ensure the most economical use possible of the shipping available but also to ensure that sufficient ships should be available to carry all the pilgrims. When the Government of India consulted the two shipping companies, the Scindia Company advanced a claim for 50 per cent share of the traffic but were prepared to accept alternate berthings. The Scindia Company also proposed an increase in rates by 25 percent above the last year's maximum rates. The Moghul Line did not admit the claim of the Scindia Company but agreed to an allocation and were prepared to carry pilgrims with no increase in the rates. According to the Government, the obvious basis for allocation of the traffic was the carrying capacity of the ships belonging to each company and the allocation which they decided namely, 75 per-cent to the Moghul Line and 25 percent to the Haj Line was the nearest convenient ratio. In fact the Government pointed out it was likely to be more favourable to the Scindia Company than the allotment based strictly on carrying capacity. The Government

further stated that on account of the shortage of shipping for the maintenance of vital transport facilities they had also been compelled to suspend sailings from Calcutta for this season. The Government added that the decision which they had taken on this subject would have no effect upon the conflicting claims of the companies in peacetime. The Committee thereupon addressed a further letter to the Government on the 28th December, 1939 in the matter. They pointed out that the Moghul Line were berthing three ships during the current Haj season from Bombay and Karachi and as the Scindia Company had already declared their intention of berthing three ships in this traffic during the season, the Government could have adopted the proposal put forward by the Indian shipping concern of alternative berthings with the Moghul Line which could have been effectively carried out in practice The Committee further stated that the Scindia Company with their two ships as against seven of the Moghul Line were able to carry about 23 percent of the pilgrim traffic during the last Haj season and it was evident therefore that during the current season with their three ships as against three of the Moghul Line, they would have been in a position to carry half the total number of pilgrims, particularly in view of the speed and performance of their ships in the past and their admitted popularity with the pilgrims. The Committee felt that there was no reason therefore for the Government to have rejected the reasonable and practicable proposal made by the Scindia Company with a view to meet the war exigencies and continue their pilgrim service.

The Committee further regretted that the Government of India should in their communique have raised the issue of the rates of fares in connection with the withdrawal of the Scindia Company from the pilgrim traffic as it was not germane to the question of berthings raised by the Scindia Company nor had it anything whatever to do with their suspension of this service. The Committee pointed out that it was in response to an enquiry from the Government themselves as to what the economic passage fare would be, that the representative of the Scindia Company at the Conference stated that in view of the increased cost of

operation the economic rate should be the maximum rate plus 25 percent as in the case of all Coastal Passage Fares. The Committee pointed out that the Scindia Company were still prepared to carry the pilgrims at the same rates as had been quoted by the Moghul Line and were fixed by the Government, although they were undoubtedly uneconomic provided the Government accepted the Scindia Company's proposal for the allocation of their share of the traffic or made other equitable arrangements during the current Haj season about the sailings which would maintain the status of national shipping interests at present and in the future The Committee deplored that when the Government of India got a suitable opportunity of exercising state control owing to the war emergency they did not take advantage of it to assist the expansion and development of national shipping in the overseas trade of the country and did not give any weightage to the Indian concern.

The Government of India replied on the 16th January 1940 acknowledging the letter.

Appointment of Indian pursers on certain steamers of the B. I. S. N. Co., on the Calcutta-Rangoon Line.—The Calcutta Rangoon Merchants Association drew the attention of the Chamber to the difficulties experienced by passengers travelling between Calcutta and Rangoon on account of the absence of Indian pursers on the Steamers specially the Amra and the Aska, of the B. I. S. N. Co. The Committee thereupon addressed a letter on the 5th December, 1939 to the B. I. S. N. Co., Ltd., stating that while the facilities provided in the new steamers were appreciated it was necessary that Indian pursers would be appointed to look after the convenience of Indian passengers. The B. I. S. N. Co Ltd., replied on the 11th December, 1939 stating that the suggestion of the Chamber would be given effect to when a vacancy next occurred in this connection.

Concessional levy of extra fees for goods incurring heavy storage charges on account of late receipt

of documents.—At the instance of Mr. G. L. Mehta, the President of the Chamber the committee addressed a letter on the 28th December, 1939 to the Commissioners for the Port of Calcutta drawing attention to the inconvenience experienced by importers on account of their inability to secure their cargoes from the docks owing to the non-arrival of shipping documents and their having consequently to pay heavy storage charges. The Committee pointed out that the delay in clearing goods was not due to any fault of the importers or the steamship agents but due to irregularity of postal services as a result of the war. The Committee suggested that a system of concessional levy of extra fees similar to the one adopted by the Bombay Port Trust might be introduced at the Port of Calcutta. The Port Commissioners replied on the 29th December, 1939 stating that whenever the removal of goods was delayed owing to the late receipt of documents the importers were to pay the full rent charges incurred and apply in writing afterwards for a refund of a portion of the rent. They assured that due allowance would be made for the difficulties experienced by the importers and they would have no cause for complaint. The Committee further wrote to the Commissioners on the 30th January, 1940 stating that while they appreciated the assurance of the Commissioners that the importers would have no cause for complaint in the matter of refund, they felt that it would be desirable if a definite system similar to the one followed at Bombay was adopted for recovering demurrage charges incurred on goods in such cases. The Committee pointed out that the Bombay Port Trust levied one third single extra fees from the date of expiry of free days upto the end of the 5th working day after the date of receipt of documents, in all cases in which satisfactory proof was furnished that delivery of goods from the docks had been delayed due to late receipt of documents or due to detention under the orders of the controller of Enemy Firms due to conditions arising out of the war. In Bombay consignees were required to produce certificates from a bank detailing the marks, numbers, quantities and description of goods, the name of the importing vessel and the date of receipt of shipping documents pertaining to the consignment specified in the certificate

and the dock manager after duly scrutinising the same made the necessary endorsement granting the concession. The Committee felt that the practice of paying the rent in full and submitting a claim for refund afterwards would cause considerable delay and unnecessarily increase the work of the Commissioners as well as of the importers. The Committee therefore suggested that a system similar to that adopted by the Bombay Port Trust should be introduced at this Port. The reply from the Port Commissioners is awaited.

INDUSTRY AND LABOUR.

The National Planning Committee.—The National Planning Committee forwarded a copy of the Questionnaire issued by them on National Planning in India early in January. The explanatory memorandum attached to the Questionnaire stated that while material data were needed to provide a basis of plans, opinions and suggestions from interested organisations or from experienced individuals were expected to prove helpful to the National Planning Committee in formulating a comprehensive plan for the economic development of India with due regard to its social relations. The Committee replied on the 3rd June 1939 submitting in detail their views on this subject. The Committee traced out the development of various industries in the country and stated that the chief problem in India was one of "under consumption" and not of "over production", and if sufficient increase in the purchasing power could be effected there was a vast scope in India for increase in the consumption of goods. The chief object to be aimed at according to the Committee should therefore be to find out the means for raising the purchasing power of the masses. The Committee stated that apart from the adoption of specific measures to achieve this object, an alround increase in the productive capacity and activity was itself an important means whereby the purchasing power of the people

could be raised and the state should therefore formulate a comprehensive policy for the development of industries and should seek to create favourable conditions under which such industries might prosper. The Committee however did not visualise national planning to mean that the Government should unduly interfere with or control the establishment and running of industries in the country. They considered that direct interference with, or meticulous control of industries by the Government would be harmful to industrial development. Under the present circumstances it was not desirable that private enterprises should be unduly hampered by the Government placing various restrictions on the starting or running of the industries as such restrictions might result in inefficiency and wasteful working. It was advisable, in the opinion of the Committee, that the Government should directly interest themselves in the establishment of certain heavy and key industries such as industries relating to the manufacture of arms and ammunitions, and other defence materials, certain mining and metallurgical industries, manufacture of locomotives, automobiles, aeroplanes etc. The function of the Government which under the present world conditions was also their duty was to create favourable conditions for the growth of industries by conducting surveys, researches, making available expert advice and by ensuring adequate protection to such industries against foreign competition and dumping.

As regards specific measures for increasing the purchasing power of the people, the Committee referred to the efforts already being made by the Provincial Governments in the direction of reducing the burden of rural indebtedness, lowering of land revenue and other rural uplift measures. The Committee also recommended that the State should create facilities for the availability of cheap credit and cheap power and start public works and expand currency in order to expedite rural reconstruction work.

The Committee further invited the attention of the Planning Committee to certain important questions which intimately affected the progress of industrialisation. They pointed out that the fiscal, currency, exchange and transport policies all of which had

a great bearing on industrial development were controlled by the Central Government which was not amenable to popular control. The Committee also referred to the commercial safeguards imposed by the Government of India Act of 1936 which were calculated to restrict the actions of even a future responsible Government at the centre. In referring to the question of transport systems, it was pointed out that a suitable and co-ordinated transport policy should form an integral part of any planned scheme of industrial development. The Committee favoured the taking over of the company-managed railways by the Government as and when their agreements fell due for revision. The Committee further dealt with the development of inland coastal and overseas shipping and dwelt on the necessity of a shipbuilding industry in Calcutta for economic as well as defensive purposes.

The Committee emphasised the necessity of the revision of the present fiscal policy of the Government of India which, they said was laid down as far back as 1923 and which was out of date under the present world conditions when a number of countries were resorting to all possible means to promote national self-sufficiency. They also urged a fresh enquiry into the question of the intrusion and investment of foreign capital in India.

The Housing sub-committee of the National Planning Committee forwarded to the Chamber on the 19th October, 1939 a questionnaire issued by them regarding housing problems and requested for the views of the Chamber on the same.

The matter is receiving attention.

Bengal Industrial Survey Committee.—The Committee received a letter dated the 17th January, 1939, from the Secretary, Industrial Survey Committee, Bengal, which has been appointed to enquire into the difficult problems of the existing industries and explore the potentialities of new ones in this Province. The Industrial Survey Committee forwarded questionnaires for the key industries and the medium-sized industries in the Province and requested for replies thereto. The Committee are at

present collecting information regarding the various industries and the matter is receiving attention.

The Secretary, Industrial Survey Committee further addressed a letter to the Chamber on the 2nd December, 1939 stating that the sub-committee felt that along with the replies received from industrial firms, suggestions of organised commercial bodies like the Chamber would be very helpful in making decisions on the various issues involved in the problem. The matter is receiving attention.

Remarks made by Sir Thomas Ainscough, British Trade Commissioner in India, on Industrialisation of India.—The attention of the Committee being drawn to the remarks made by Sir Thomas Ainscough in his latest report on the United Kingdom Trade with India regarding the progress of industrialisation in India, a press communique was issued on the 19th January, 1939, characterising the remarks as unduly alarmist. The Committee pointed out that it was wrong to assume that the development of industries would mean a stoppage of or withdrawal from foreign trade but that it would only mean a change in the character and direction. The Committee therefore saw hardly any justification in the fear expressed by Sir Thomas Ainscough as regards the fall in the Customs receipts of the Government and in the breakdown of India's Financial structure as a result of the fall in the export trade which Sir Thomas expected would follow the industrialisation of India. The Committee stated that Germany and Japan had with the progress of industrialisation in their countries, tended to purchase more goods rather than less and in the case of India also, they stated, the development of industry would open out fresh avenues for employment, raise the standard of living of the people including the agriculturists and bring about a steady equipoise between the agriculture and the industry, which would in the long run lead to expansion of wealth and thus help rather than hinder the international trade.

Facilities for Indian Apprentices for Practical Training in Workshops.—It was recorded in the last Annual

Report that the Committee had addressed letters to the Government of Bengal requesting them to insist upon the workshops supplying stores to the Government to provide facilities to Indian apprentices for practical training. The Government of Bengal replied on the 6th March, 1939, forwarding a copy of the Press note dated the 22nd February, 1939, issued by the Director of Public Information, Bengal in this connection. The Press note stated that it was brought to the notice of the Government that several firms supplying stores to the Government were not offering adequate facilities to Bengali apprentices and the instructions had therefore been issued by the Government that when any Department or Subordinate officials under them purchased stores from the local firms they should insist on those firms affording proper facilities for practical training both in their offices and in their factories, to Bengali apprentices.

Facilities for Industrial and Technical Education available in Bengal.—A letter dated the 5th October, 1939, was received from the Industrial Survey Committee, Bengal, stating that a sub-committee had been appointed by them to consider the facilities for Industrial and Technical Education available in the Province. According to this sub-committee industrial and technical education was not the matter for the schools alone and it was necessary to enlist co-operation of Industry and Commerce to ensure that the training imparted by institutions set up for the purpose might be appropriate. The sub-committee further wanted to know as to how far the training imparted by either private or Government aided institutes was meeting the requirements of Industries. A questionnaire on the subject was also drawn up and it was intended to circulate the same to all prominent Industrial employers. The Committee considered the matter and decided to issue a circular inviting attention of members to the matter.

Inquiry from the Government of Bengal about Laboratories maintained by members of the Chamber for doing research work.—The Chamber received a letter dated the 25th September, 1939, from the Government of Bengal requesting for information about Laboratories maintained by any

of the members of the Chamber for research work. A list of such laboratories and information about the nature of researches carried on by them was required. The matter was circulated to members. Replies were received from Messrs. North Bengal Sugar Mills Ltd., and Birla Jute Manufacturing Co., Ltd., stating that they were maintaining laboratories at their factories. The replies were communicated to the Government of Bengal on the 28th December, 1939.

Establishment of an Institute of Industrial Fatigue and Psychology.—The Chamber received a circular on the 27th July, 1939, from the Federation of Indian Chambers of Commerce and Industry regarding establishment of an Institute of Industrial Fatigue and Psychology. Notes on the scopes and methods of work and problems investigated by the Industrial Health Research Board and the National Institute of Industrial Psychology of Great Britain, which are institutions working on similar lines were also enclosed. The Committee considered the matter but they were of opinion that the establishment of such an Institute was premature in India. If however it was decided to have such an Institution the Committee believed it should be on an all-India basis. The Federation of Indian Chambers was informed accordingly on the 17th August, 1939.

Uniformity in conditions of service of chauffeurs.—The Committee received a letter on the 29th May 1939 from the Government of Bengal stating that a deputation of the Bengal Chauffeurs' Union had waited upon the Hon'ble Minister, Commerce and Labour Department and put forward some of their grievances, such as absence of uniformity in conditions of service of chauffeurs employed by different mercantile firms, with regard to permanency of service, provident fund, gratuity, pension and leave facilities. The Government invited the views of the Chamber as to whether it was desirable to introduce some degree of uniformity in service conditions for chauffeurs in mercantile firms and if so to what extent. The Committee replied on the 10th June 1939 that as the service in question was mostly in the nature of domestic employment, it would not be practicable to

have any uniformity with regard to the conditions of service. The Government further wrote to the Chamber on the 14th June 1939 suggesting that the matter be brought to the attention of members of the Chamber. The Committee circulated the matter to members on the 24th June 1939.

Activities of Labour Agitators.—The Committee received a letter dated the 5th June 1939 from the Bengal Industries' Association forwarding a copy of their letter dated the 5th June 1939 addressed to the Minister-in-charge of Labour, Government of Bengal. The letter referred to the tactics adopted by the Labour agitators in various factories. It stated that when these labour agitators did not find sufficient ground for a strike they invited the workers to slow down production by wilful negligence and also intimidated the workers and spread dis-satisfaction amongst them and instigated them against their employers. The Association had requested the Labour Commissioner to intervene in the matter but he had replied that he had no powers to do it, until the dispute was referred to him by the parties. However, as the labour agitators would not care to refer the dispute to the Labour Commissioner, the matter could not be remedied. The Association had therefore requested the Government to safeguard the interests of the employers, to define clearly the functions of the Labour Commissioner and to invest him with more powers, if necessary. The support of the Chamber in the matter was invited. The matter is receiving attention.

Draft Convention concerning the age for admission of Children to Non-Industrial Employment.—The Committee received a letter dated the 24th May 1939 from the Government of Bengal forwarding a copy of the letter dated the 16th June 1938 from the Government of India regarding Draft Convention concerning the fixing of minimum age for admission of children to non-industrial employments and inviting the views of the Chamber on the same. The Government of India in their letter to the Provincial Governments stated that the Draft Convention of 1937 was a revision of the Draft Convention of 1932. The proposals underlying the latter Convention were

referred to the Provincial Governments for opinion in 1931 and the replies received indicated that it would be impossible to apply it to India under the existing conditions unless special treatment were accorded to her. The Government described the instructions to their representatives to the 16th Session of the International Labour Conference and stated that in the full conference, however, in spite of the protest made by the Government delegates, the suggested article was amended and Article 9 of the original Convention of 1932 was adopted in respect of India. This article provided that the employement of children under 10 shall be prohibited and that this age be later on substituted by the age prescribed for admission of children to factories not using power which were not subject to the Indian Factories Act, if the latter was fixed above 10 by the National Laws or Regulations. It was further provided that persons under 14 years of age shall not be employed in non-industrial employments which might involve danger to life, health, or morals, and that an age above 10 shall be fixed by National Laws or Regulations for admission of young persons and adolescents to employments for purposes of itinerant trading in the streets.

When the Draft Convention was examined by the Central Government it was found that with the exception of domestic services, young children were not employed in substantial numbers in non-industrial occupations in the country. The Regulation of employment of children in private homes was moreover, not a practical proposition in view of the fact that a large inspectorate, the expenses of which India could ill-afford, would have to be set up. The Government of India felt that prior attention should be given to protection of children employed in "unregulated" industrial establishments such as Carpet-weaving, Mica-splitting and Biri-making. Both the Houses of Central Legislature, it was stated, were consulted and they recommended that the Draft Convention should not be ratified.

In considering the revision of the Draft Convention of 1932 the International Labour Office originally suggested that the special exemption made for India in article 9 should be deleted.

In view of the considerations set forth above, the Government of India supported this proposal and the Government Delegates to the 23rd Session of the International Labour Conference were instructed not to extend their support to any move for an alternative special provision. The Draft Convention which was subsequently adopted however, provided for special treatment for India in its article 9.

The Government of India believed that all India Legislation on the comprehensive lines indicated by the Convention was not called for in the existing conditions but they had drawn the attention of the Provincial Governments to the Convention for considering whether any local legislation was desirable in respect of any matter covered by the same. The Committee replied on the 13th July 1939 stating that they agreed with the views of the Central Government in this connection that young children were not engaged in substantial numbers in non-industrial occupations in the country except for domestic services. As regards Article 9 of the present Convention which provided that no children under 13 years of age shall be employed in certain specified professions, the Committee were doubtful whether reliable statistics were available in respect of these professions and they were of opinion that in the absence of suitable data it would not be possible to enforce the regulation. Moreover in view of the large expenditure which the Government would have to incur for regulating employment in these professions as desired the committee did not consider it necessary to implement the provisions of this Convention at the present time by any local legislation.

POSTS AND TELEGRAPHS.

Delivery of Mails from the Calcutta G. P. O.— The Committee had long correspondence with the Presidency Post Master, Calcutta last year in regard to the necessity of arranging early deliveries of the principal mails in Calcutta. On the 6th March 1939 the Committee wrote a letter to the Presi-

dency Post Master, Calcutta pointing out that the delivery timings were not adhered to even according to the revised schedule which were comparatively late but were accepted on the understanding that all endeavours should be made to keep to the revised timings of deliveries. The Committee stated that the principal mails of the day particularly the Punjab, Madras and Bombay Mails were very important and the Commercial Community would be put to much inconvenience particularly on Saturdays if letters were received later as it would mean that the letters would be kept over till Monday. The Committee requested that steps would be taken to see that the principal mails were delivered as early as possible.

The Presidency Post Master replied on the 13th March 1939 stating that according to the records in his Office letters arriving by the Down Punjab Mail Train were always included in the schedule delivery at 10-30 A M. on week days except on the 28th January 1939 when the train arrived late and the delivery was made only by the 12-30 P.M. delivery. As regards the E.I.R. Bombay & Madras Mails the Presidency Post Master stated that these trains were scheduled to reach Howrah at 10-24 A.M. and 10-18 A.M. and subsequently they could not be sent out earlier than the 12-30 P.M. delivery. As regards the B. N. R. Bombay Mail it was pointed out that the train reached at 7-58 A.M. and the Mails were sent out at 9 A.M. provided that the train reached Howrah at the scheduled time. The Presidency Post Master further stated that his Department was in communication with the Railway Authorities if it would be possible for the latter to arrange earlier arrival of the principal trains and if the Railways agreed, he stated that some improvement in delivery might be affected.

The Committee replied on the 18th March 1939 thanking the Presidency Post Master and requesting him to keep the Chamber advised of further developments. On the 30th March 1939 the Presidency Post Master wrote saying that the revised time tables of different Railways to be given effect to from the 1st April 1939 did not show earlier arrival of the principal mails in Calcutta and

he regretted therefore to rearrange the existing delivery hours. The matter was further discussed in the 22nd Informal Quarterly Meeting between the Chambers of Commerce and the Railways The East Indian Railway expressed their inability to arrange for an earlier arrival of the Punjab Mail in Howrah, but they stated that if the Postal Department could make some arrangement for despatching the mails from Howrah to the G.P O. more expeditiously, the mails carried by the Punjab Mail may be delivered earlier from the G.P O. As decided in the meeting, the E. I. Railway wrote to the Postmaster General, Bengal and Assam Circle in this connection and the Committee also supported their letter by addressing a communication to the Postmaster General on the 11th October, 1939. The latter replied on the 4th November, 1939, stating that from 1st October, 1939, the Punjab Mail arrived 20 minutes later than before, but still the delivery of the mails by this train from the G.P O. was timed the same as before, *i.e.* 10-30 A.M. He further pointed out that the volume of mails received by the Punjab Mail was very heavy and sufficient margin of time was required for unloading mails, checking them, loading in the van at Howrah and unloading mails at G.P.O. Delay was also due at times to the traffic congestion on the way from Howrah It further required some time to sort out the mails for different sections of Calcutta and distributing it to different postmen for their respective beats. Moreover the mails arriving by the Punjab Mail were brought from Howrah to the G.P.O., in a special van and the Postmaster regretted that any special arrangements at Howrah could serve no useful purpose. He also added that the E. I. Railway were requested by the Postal Department to bring the Punjab Mail in Howrah earlier but they had replied that they could not do so on account of the important connections of this train on other Railways.

The Committee further addressed a letter to the Railway Board on the 11th December, 1939 drawing their attention to the inconveniences the business community had to suffer on account of late receipt of mails carried by the Punjab Mail. The Committee referred to the correspondence they had with the Railway and the Postal Department in the matter as also to the discussion on the

subject in the Informal Quarterly Meeting. They suggested that the Railway Board should make some arrangement so that the Punjab Mail while maintaining the connections with the Sind Express and the Karachi Mail might arrive earlier in Howrah at about 6-15 to 6-30 A.M. The matter is receiving attention.

Rates for telegrams to U.S.A.—It was stated on page 118 of the last annual report that the Committee had addressed a letter on the 17th September 1938 to the Postal Department enquiring about the reasons for the difference in the minimum charge for a cable from India to the first American zone and the minium charge for a similar cable from that zone to India. The Postal Department replied on the 6th April stating that the rates for telegrams were fixed by International Regulations in terms of gold francs and for the purpose of calculating the charges in local currency, the total charge was fixed approximating the amount expressed in gold francs. The Department further stated that the charge of U. S. A. fixed by India was within the regulations framed by the International convention and the Indian Postal Department was not concerned with the charges fixed in the reverse direction. It was added that the U.S.A. was not a party to the International Convention. As it was felt that the matter should be further taken up with the Government of India, the Committee decided to enquire from the Bengal Chamber of Commerce whether they would be willing to join this Chamber in taking up the matter with the Government of India. The Bengal Chamber of Commerce replied on the 4th July stating that they made detailed enquiries in the matter and found that in terms of the currency adopted by the International Postal Convention, namely gold francs, the rates for telegrams between India and America were the same in both the directions namely 2.35 gold francs per word in plain language as distinguished from a telegram in code. The Bengal Chamber of Commerce further stated that the difference in the rates arose only by reason of the standard rates of exchange adopted in America and in India for conversion of the gold franc rate into the currency of the country of origin. According to them, an impossible position would arise if telegraphic charges were made to vary according to the ruling

rate of exchange of the currency of each country, in relation to gold in order to bring about equality of charges in all countries. The Bengal Chamber of Commerce added that for these very reasons the rupee rates per word per cable from India to Switzerland, Italy and Germany were lower than those in the reverse direction when expressed in terms of rupees. Moreover, it was stated that, it had been pointed out to them, that there was a case for the revision of the Indian rates in an upward direction in view of the present relation of the rupee to gold which was lower than what existed when the current conversion rate of 11 annas 6 pies per gold franc was fixed. The Bengal Chamber, therefore, was not in favour of taking up the question further with the Government of India. The Committe did not think it proper to pursue the matter further.

Publication of Hooghly River Shipping Gazette.—The attention of the Committee was drawn to a report that the Postal Department proposed to discontinue the publication of the Hooghly River Shipping Gazette. The Committee thereupon wrote to the Department on the 31st July, 1939, pointing out the necessity of continuing the publication of the Gazette as it proved very useful to both inland and ocean-going shipping interests. The discontinuation of the publication, the Committee stated, would cause considerable hardships to small steamers without wireless, as it was very important for them to know about the movement of vessels when the Port was threatened with severe weather. The Committee therefore suggested that the Gazette should be continued to be published.

The Committee addressed a further letter dated the 23rd November, 1939 pointing out the necessity of continuing the publication of the Gazette, especially at the present time, information about the movements of the ships etc. was very important to the interests concerned.

Misdelivery of letters by postmen serving commercial and other concerns in Calcutta.—The Chamber received a letter dated the 28th July, 1939, from the Presidency Postmaster, Calcutta regarding misdelivery of letters to

commercial and other concerns by postmen. The Presidency Postmaster had suggested that concerns receiving letters addressed to others or finding their own letters lying outside the offices on the floor or getting their letters through persons other than postmen should at once report the matter to him personally. The Committee decided that a circular be issued to members requesting them to co-operate with the Postal Department in the matter.

Use of lifts by postmen.—The Postmaster General, Bengal and Assam Circle wrote to the Chamber on the 15th September, 1939, stating that the privilege of using lifts may be extended to postmen and telegram delivery peons as was done in Bombay The Committee replied on the 18th October, 1939, stating that the facility of lifts was being allowed by practically all the members but the matter would however be again brought to the notice of the members.

Difficulties about the Telephone Service in Calcutta.—The Committee had long correspondence with the Bengal Telephone Corporation in connection with the difficulties experienced by subscribers of telephone chiefly on account of the present exchange system obtaining in Calcutta. The Committee had addressed a letter on the 28th January, 1939, to the Telephone Corporation detailing the various difficulties. As no reply was received from the Corporation a letter was addressed to them again on the 22nd March, 1939, inviting attention to the most frequent complaints about the Telephone Corporation. The Committee also gave an instance in which the connection was suddenly cut off while the talk was going on and they opined that in order to avoid the difficulties the present system of exchange should be changed to an automatic one. The Bengal Telephone Corporation replied on the 23rd March, 1939, stating that in case of the instance mentioned by the Chamber a free call was allowed when the conversation was re-established. In regard to the other complaints of the Chamber, the Corporation suggested that representatives of the Chamber might see personally the Calcutta Exchange which would clear many misunderstandings. It was

also pointed out that in Bombay where automatic system prevailed the question of wrong numbers was so serious that the Telephone authorities addressed a circular letter to all the subscribers asking them to take great care in dialling the number. The Corporation also stated that the manual system obtaining in Calcutta was a great asset to the subscriber as he was not charged for wrong numbers and in case of any possibility of doubt, a free call was given.

The matter is receiving attention.

Trunk Telephone connection at Giridih and Kodarma.—It was stated on page 125 of the Report last year that the Committee had received a letter from the Postal Department stating that the proposal to provide trunk telephone facilities at Kodarma by opening a public call office at Jhumri-Telaiya Post and Telegraph Office was under consideration. The Postal Department further wrote to the Chamber on the 27th May 1939 stating that after due consideration it had been decided to drop the scheme for the present till such time as the proposal for opening a local telephone system at Kodarma materialised. The Department also stated that they had been assured of 10 to 15 connections if a local telephone system serving the surrounding mica mines of Kodarma was opened However, as they desired to have at least 25 subscribers to start with they had enquired if the Chamber could use its influence with other local merchants to rent connection from the proposed exchange. It was further stated that as soon as there would be a firm demand from this number of proposed subscribers, steps would be taken to open a telephone exchange at Kodarma and in all probability this system would also be provided with trunk facilities with the All-India Telephone System. The Committee replied on the 19th June 1939 stating that they were pleased to know that efforts were being made to open a local telephone system at Kodarma and that after such a telephone exchange was opened it was proposed to provide the same with trunk facilities with the All-India Trunk Telephone System. The Committee also mentioned that they had circulated the proposal to interested members

and forwarded a copy of a letter received by the Chamber from one of the members in this connection.

Introduction of the principle of Toll Charges by the Bengal Telephone Corporation.—The Bengal Telephone Corporation Limited, wrote to the Chamber on the 14th September, 1939, stating that the Government of India had authorised them to introduce the principle of Toll Charges over their system. The basis of payment in respect of these charges as proposed was that calls between subscribers connected to the exchange upto ten miles apart were to be subject to the existing rates, but in case of subscribers connected to exchanges which were more than ten miles apart, the charges were to be one local call plus one anna for every $2\frac{1}{2}$ miles or part thereof in excess of 10 miles. They further stated that out of the existing exchanges only the Budge-Budge exchange would be affected as that exchange was outside the 10-mile area. The Corporation hoped that by introducing this principle they would be enabled to open new exchanges in various suburbs. It was further proposed that all calls from or to the exchanges to which the toll fee applies would be subject to a time limit of three minutes, *i.e.*, a call exceeding three minutes would be charged for one more call for every unit period of three minutes.

The Committee considered the matter and addressed a letter on the 17th October, 1939, to the Bengal Telephone Corporation expressing their protest against the proposed introduction of the toll system. The Committee pointed out that the introduction of this system would prove detrimental to the interest of industrial concerns in and around Calcutta, as a number of factories were situated 15 to 20 miles away with their offices in the business quarters of the city. The Committee were opposed to the proposal of limiting a call to three minutes only. They stated that the opening of a few new connections in other areas should not bring unnecessary handicap to the existing subscribers in Budge-Budge area and other areas which may be affected by these proposals. The Committee pointed out that in Bombay and London no extra charge was made for connections to Greater Bombay and Greater London respectively.

The Bengal Telephone Corporation replied on the 23rd October, 1939, stating that only a few factories with telephones were situated at a distance of 15 to 20 miles from the city The reason for this, according to them, was that the rentals in such cases were extremely high because of a heavy capital outlay incurred in erecting the routes to serve these subscribers. The Corporation were charging normal rental for telephone connections within four miles from the nearest exchange but beyond this distance a subscriber had to pay an over radius rental of Rs. 60/- per mile per annum. This heavy charge could not be borne by small concerns As for the toll fee the Corporation stated this system had been brought into operation to cover the capital outlay which was to be incurred to provide long junction routes connecting small suburban exchanges. They pointed out that this system had been universally adopted by telephone administrations all over the world. With regard to the three minutes time limit the Corporation stated that this period was sufficient for normal telephone conversation and was adopted by the Government even for trunk calls. It was, according to them, necessary in order to avoid the subscribers abusing the service and holding up lines unnecessarily for long periods They further stated that at present they did not propose to include Budge-Budge in this new system but that this exchange was at present run on loss and after some time they would have to put it on a proper basis. The Committee thereupon decided to address a further letter to the Telephone Corporation suggesting that a system should be devised by which the existing subscribers might not be placed to any extra burden and the Corporation may at the same be able to extend their operations to more suburbs.

The Committee further addressed a letter to the Bengal Telephone Corporation on the 20th December, 1939 stating that while they appreciated the facilities made available to small business firms by the introduction of this system, they felt that the factories situated at a distance of 10 to 15 miles from Calcutta would be put under necessary burden as they would be required to pay much higher charges for the telephone service than what they used to pay. The Committee suggested that the Corporation should find some other system by which the existing factories with telephone

connections might not be put under any unnecessary further burden by way of toll charges but at the same time the Corporation might also be able to extend telephone facilities to smaller business firms. The matter is receiving attention.

Contracts for conveyance of mails between B. I. S. N. Co., Ltd. and the Government of India.—On the 14th September, 1939 the Director-General of Posts and Telegraphs sent to the Chamber copies of the contract entered into between the Government of India and the B. I. S. N. Co., Ltd., for the conveyance of mails. The Committee thereupon addressed a letter to the Government stating that it would have been advisable if the Government had not entered into a contract with the company for such a long period. As the Indian shipping companies expanded and developed, the Committee pointed out, they would be in a better position to tender for the carriage of mails than at present The Committee further stated that the tripartite agreement of the coastal shipping companies in India was to terminate at the end of the year, after which it might have been possible for Indian shipping companies to offer for the carriage of mails on the routes in question. The Committee thought that it would have been preferable if the present contract had been extended for a shorter period The Director-General of Posts and Telegraphs acknowledged the receipt of the letter on the 15th December, 1939.

FINANCE.

Budget Proposals of the Government of India for 1939-40.—The Hon'ble the Finance Minister to the Government of India introduced the Budget proposals in the Central Legislative Assembly on the 28th February 1939. The Committee addressed a letter to the Government of India, Finance Department, on the 1st March 1939 expressing their views on the proposals. As regards the estimated deficit of Rs. 50 lakhs for 1939-40, the Committee stated that figures of revenue had been under-estimated and pointed out that in the excise and customs

duty on sugar the income would be at least a crore more than the Government's estimate of Rs. 4 crores 20 lakhs. The Committee stated that under the heading excises on sugar, the revenue was not likely to fall below Rs $2\frac{1}{2}$ crores and customs duty on imports of sugar which would be to the extent of $1\frac{1}{2}$ to 2 lakhs tons, would amount to another Rs. 280 lakhs besides additional increase from khandsari excise, as anticipated by the Hon'ble the Finance Member. Under the circumstances the Committee felt that there was no necessity to levy any additional taxation. The Committee then referred to the increase of defence expenditure by rupees one crore in the 1938-39 estimates which was mainly due to an item of Rs. 115 lakhs incurred in improving the conditions of services of British Military personnel as a result of certain measures adopted by the British War Office. The Committee stated that the Government of India including the Hon'ble the Finance Member protested against such a measure and they regretted that the same should have been imposed on India, whose people were denied participation in any scheme of National Defence. As regards the proposal of doubling the import duty on raw cotton, the Committee while recognising that the same might tend to encourage the growth of long staple cotton in India, pointed out that the immediate effect of the duty would be to benefit the Lancashire Cotton and Textile Industry as most of the imported cotton was of long staple variety for producing finer goods which had to stand in competition with Lancashire. The Committee also regretted the change proposed by Hon'ble the Finance Member in the method of assessment of income tax and super tax, whereby the exemption of undivided Hindu families from payment of super tax up to Rs. 75,000 was withdrawn. The Committee stated that this would fall heavily on the Hindu undivided families and they requested the Government to accept the recommendations of the Income Tax Inquiry Committee in this connection as regards the doubling of each slab of income and increasing the limit of exemption from super tax up to at least Rs. 1 lac. The Committee also pointed out that the rates of income tax and super tax on higher incomes became exhorbitant and they urged that the rate of super tax should not in any case exceed 3 annas in a Rupee for,

even at that rate, it was pointed out that the total tax on incomes would amount to about ⅓ of the higher income The Committee also felt that the removal of exemption of companies from assessment to super tax up to Rs 50,000 would be harmful to concerns having small profits and this tax would be inequitable as shareholders would have to pay tax for a second time. The Committee strongly opposed to the increase in the incidence of the income-tax and super tax as a result of the changes in the assessment.

U. P. Employments Tax Bill.—At the instance of Messrs. Birla Bros Ltd., the Committee addressed a letter to the Government of U. P. on the 16th March, 1939, referring to the U. P. Employments Tax Bill which provided for the levy of a graduated tax on income of individuals and opposing the inclusion of Directors, Managing Agents, Selling and Purchasing Agents, etc., within the definition of 'employee" thereby making them liable to the payment of employment tax. The Committee stated that the inclusion of Directors, Managing Agents, etc., in the category of employees was like giving a far-fetched meaning to the term. It was further pointed out that trade and industry were already subjected to heavy taxation by the Central and Provincial Governments, and the additional burden proposed to be imposed by the U. P. Employments Tax Bill would seriously handicap the whole economic structure. The Committee therefore strongly opposed the inclusion of Directors, Managing Agents, Selling Agents and Purchasing Agents, etc., in the term of "employee", as also the inclusion of the fees, commissions, etc. in the term "salary". The Committee also stated that it was not clear whether the tax was to be levied on income after deducting expenses or on the gross amount and requested that a provision should be made for allowing business expenses to be deducted from the Income as in the case of income-tax and super-tax.

Madras Sales Tax Bill.—Messrs. India Electric Works wrote on the 10th March, 1939, inviting the attention of the Committee to the Sales Tax Bill introduced by the Madras Government imposing an annual turnover tax at a consolidated fixed rate on turnover between Rs. 10,000 and Rs. 40,000 and at the

rate of ½% on annual turnover in excess of Rs. 40,000. The Chamber was requested to protest against this tax as it would prove hard on business men. Messrs India Electric Works Ltd., also enquired whether the turnover tax would be allowed by the Government of India as an expense in calculating income for income-tax purposes. The matter was referred to Mr. A. L. Ojha and Mr. K M. Naik who felt that no action need be taken by the Chamber as the question did not affect the manufacturers or the producers outside the province of Madras and as the local Chambers of commerce there had already represented the matter in great detail to the Madras Government. The Committee therefore did not take any action in the matter. As regards the point about deduction of the tax in calculating amount for the income tax the Committee after taking legal opinion replied to Messrs. India Electric Works Ltd , on the 25th April, 1939, stating that the turnover tax was nothing different from customs duty or provincial licence fees all of which were permissible items and the same would be deducted in arriving at the income for the purposes of assessment to Income tax.

Sales Tax on Mill made piece-goods proposed by the Government of Bombay.—On the 20th February 1939 the Marwari Chamber of Commerce forwarded a copy of the telegram addressed by them to the Government of Bombay stating that the proposed sales tax to be imposed on piece-goods produced by the Mills in Bombay had created a great sensation in the Calcutta piece-goods market and it was likely to encourage the import of foreign piece-goods. The Government of Bombay were requested not to impose any duty at all, and in any case not to levy the duty on the existing contracts. Our Chamber was asked to lend support. The Committee replied to the Marwari Chamber on the 28th February 1939 stating that the proposed tax would apply to sale of piece-goods in Bombay only and the consignments of piece-goods from Bombay to other provinces would not be affected by the tax. The Committee therefore felt that no action was required in the matter, particularly because the matter was being taken up by the Mill Owners Association there.

Carry forward of unabsorbed depreciation under the amended Income-tax Act.—On the 4th February 1939 the Committee addressed a letter to the Government of India pointing out that the Select Committee on the Income-tax Bill had made certain modifications in the original Bill and provided that depreciation which would be unabsorbed at the time when the law would be changed would not be deducted from the original cost of the plant or machinery etc. in arriving at the written down value. The Committee referred to the amendment made by the Select Committee which added the words "not being the year which ended prior to the 1st day of April 1939" in the clause in the original Bill providing for carrying forward of unabsorbed depreciation in any year The Committee felt that it must be the accounting year 1938-39 and not the assessment year for which unabsorbed depreciation should be allowed *i.e.* the profits for 1938-39 accounting year should, to the extent necessary, be allowed to be utilised against unabsorbed depreciation up to 31st March 1939 accounting year plus depreciation for the accounting year 1938-39. The Central Board of Revenue replied on the 30th March 1939 stating that the year referred to was the assessment year and that the new provision would come into force only for 1940-41 and subsequent assessments. It was also made clear that if full effect would not be given to the depreciation allowances due in 1938-39 assessment, it could (under the old law) be deducted from the assessment in 1939-40 and if that was not sufficint from 1940-41 assessment also. The Central Board further stated that any allowances due in 1938-39 assessment or earlier assessment which would not be fully covered in assessment up to and including 1939-40 assessment owing to insufficiency of profits would not be deducted from the cost of Machinery or plant in question to arrive at the written down value in computing allowances for 1940-41. The Committee replied on the 24th April 1939 thanking the Central Board of Revenue for making the position clear and requesting them to issue necessary instructions to the executive staff in this connection.

Rates of Depreciation under the amended Income-tax Law.—On the 17th December 1938 the Federation of Indian Chambers of Commerce and Industry addressed a circular letter to

all member bodies stating that under the amended Income-tax Act which fixed depreciation on written down basis, the Central Board of Revenue would proceed with the fixing of revised rates of depreciation for various kinds of machinery used in all the industries. The Federation further stated that an assurance was given in this connection on behalf of the Government of India that the new rates consequent on the change from the 'cost basis' to the 'written down basis' would be discussed with the interests concerned before they were fixed and that the new provision would not be brought into operation until the rates had been fixed. The Federation forwarded information about the allowances in the U. K. where depreciation was allowed on the written down value basis. Member bodies were therefore requested to gather material with regard to the life of each kind of machinery and forward well thought out suggestions regarding the rates of depreciation under the new law so that at least 92% of the assets might be written down during the period. In their subsequent circular dated the 4th January 1939 the Federation made it clear that by the life of the machinery or building it was meant economical life *i.e.*, the number of years during which the machinery is reasonably expected to give satisfactory production both from the point of view of quality and quantity. The Federation also suggested that authoritative opinion from renowned manufacturers of machinery might be taken in connection with the life of a machinery. This office circulated the matter to all member factories of the Chamber on the 6th March 1939 inviting their views and suggestions regarding the life of machinery used by them as also the rates of depreciation that should be fixed under the new Income-tax Law.

On the 17th June 1939 the Federation of Indian Chambers of Commerce and Industry wrote to the Chamber stating that during the discussion on the Income-tax Amendment Bill, the Finance Member had given an assurance that the new rates for allowing depreciation would be discussed with the interests concerned before they were fixed. It was further stated that in reply to an enquiry by the Federation in this connection, the Central Board of Revenue had stated that when the proposals would be formed the interests would be given reasonable time to consider the same. The usual

practice however, which the Board followed was to notify the modifications in the *Gazette of India* and to call for suggestions within a very short time. According to the Federation this procedure would not be helpful to the various industrial interests and they believed that it was necessary that all the industrial interests should be invited at a conference to discuss the new rates and several other questions pertaining to the changes laid down under the new Act in respect of the depreciation allowance. The Federation Committee had therefore written to the Government that a conference of the various interests concerned should be called by the Board in this connection. The Chamber was requested to support the proposal of the Federation. On the 26th June 1939 the Committee addressed a letter to the Central Board of Revenue supporting the proposal about the conference. The Central Board of Revenue replied forwarding a copy of their letter dated the 6th July 1939 to the Federation which stated that as the rates of depreciation had to be fixed after detailed consideration of the facts relevant to each separate class of assets and as the number of classes was large, the Board had come to the conclusion that an all-India conference to be held before any rates were proposed by them would serve no useful purpose. The Board had further stated that they intended to publish the rates proposed by them for general consideration and invite comments within a period of not less than two months and that if after considering the written comments on the proposed rates, it was felt that oral discussion on particular rates would serve any useful purpose an opportunity would be given to the interests concerned for such discussion either at important centres such as Bombay and Calcutta or at an all-India Conference.

The Central Board of Revenue accordingly wrote to the Chamber on the 4th August, 1939, inviting reference to their Resolution dated the 5th August, 1939, proposing the revised rates of depreciation allowances.

The proposed rates on written down value basis were in most cases the same as the existing rates on the prime cost basis. In certain cases, such as Brick and Tile Manufacturing machinery,

telephone companies, underground cables, process plants in mineral oil concerns, steamers under 120 ft. in length etc. the rates had been reduced while in some other cases such as motor cars, moulds used in manufacture of concrete pipes, over-head cables and wires in electrical machinery, permanent way of eletrical tramways and aeroplanes, the rates had been increased.

On the 6th October, 1939, a Conference of various industrial interests of the country convened by the Federation of Indian Chambers of Commerce and the All-India Employers Federation was held at the premises of the Chamber to discuss the proposed rates. Mr. G. L. Mehta, the President of the Chamber, and Mr. D. P. Khaitan attended the Conference on behalf of the Chamber. A draft prepared by the sub-committee of the Conference in this connection was later circulated and the Chamber was requested to support the same.

The Committee thereupon addressed a letter on the 17th October, 1939, to the Central Board of Revenue submitting their views in the matter. They pointed out that the main principle to be kept in view while granting the depreciation allowance was to enable the owner of the asset to set aside an amount corresponding to the diminution in the value of that asset and sufficient to replace it when its useful economic life was over. The Committee stated that practically all the industrial interests in the country had protested against the recommendation of the Income-tax Enquiry Committee that the prime cost basis should be changed to the written down value basis. When the Income-tax Bill was before the Select Committee, the representatives of trades and commerce were given to understand that the new rates would be fixed in consultation with the interests concerned and on a much higher percentage basis than the existing rates. It was however found that the new rates had been reduced in some cases or allowed to remain the same. The Committee felt that in proposing the new schedule the Government had completely ignored the principle accepted till now on which the present rates were fixed. The rates fixed by the Government 20 years ago were, according to the Committee, based on careful consideration of the expected economic

life of the various assets and the new factors that had arisen since then only made the useful life of certain assets even less than what was envisaged in 1919.

The Committee further pointed out that the assumption that because the written down value basis was in operation in the United Kingdom, it would be fair to prescribe the same rates for similar assets in India, was fallacious. In the opinion of the Committee the conditions in two countries varied so much that it would be unreasonable to contend that the useful life of an asset used in India would be the same as in the United Kingdom.

The Committee also drew attention of the Board to the fact that in the official Schedule of Wear and Tear Allowance issued by the Inland Board of Revenue it was stated that the rates in the schedule which were subject to the approval of the Commissioners concerned had been agreed to by the Board of Inland Revenue and the associations representing the users of the plant and machinery. The Committee emphasised that the Central Board of Revenue should also try to secure the agreement of industrial interests on the rates proposed. The Committee further pointed out that while relying upon the Board of Inland Revenue for support of the proposed rates, due note had not been taken of certain facilities granted in the United Kingdom. An addition of 10% was conceded on all rates by the Finance Act of 1932 which was further increased to 20% by the Finance Act of 1938. Further, due consideration was given by the Board of Inland Revenue in cases where the plant and machinery were utilised over and above the period by reference to which the estimated life of the asset was computed and an increase of 50% on the scheduled rates in respect of the plant and machinery working treble shift or double shift and over time was allowed. No such consideration had been shown in India. The Committee suggested that in revising the rates finally provision should be made as in the United Kingdom for a greater depreciation allowance in respect of plants and machinery used for more than its normal period.

The Committee thought that if the rates proposed were adopted by the Government, they would prove prejudicial to the indus-

trial development of the country as the rates were not based on any sound principles and were calculated to defeat the underlying object of permitting depreciation allowance.

The Committee also referred to the special circumstances of the shipping industry and the tramway companies.

A statement showing the rates which in the opinion of the Committee should be applied to different assets on the written down value basis was enclosed along with the letter.

The Central Board of Revenue forwarded on the 6th December, 1939 a copy of the press note issued by them stating that the Board proposed to hold discussion with representatives of various Chambers of Commerce, trade associations and other interested organisations on the subject of Income-tax depreciation rates, between January 15th to January 31st, 1940. The press note further stated that the Board had received various suggestions and criticisms and in their opinion oral discussions of the particular rates with the interests concerned would prove useful.

The Chamber also received a letter in this connection on 16th December, 1939 from the Secretary, Federation of Indian Chambers of Commerce and Industry written on behalf of Sir H. P. Mody and Mr. Kasturbhai Lalbhai stating that it would be advisable if the special committee appointed at the Income-tax depreciation Conference held in Calcutta on the 6th October, 1939 is asked to represent all the Chambers at the oral discussions proposed by the Central Board of Revenue.

The Committee thereupon decided that the special sub-committee appointed at the Conference should represent the Chamber at the discussions and informed the Secretary of the Federation of Indian Chambers accordingly. It was also suggested that Mr. M. A. Master should be co-opted on this special sub-committee to represent shipping interests.

Amendments to Income-tax Rules: *Rules 18 and 19.*— On the 23rd February 1939 the Central Board of Revenue wrote to

the Committee inviting attention to the Government's Notification dated the 23rd February 1939 publishing draft of an amendment to Rules 18 and 19 of the Indian Income Tax Rules as also the revised form of return for total income and total world income of assessees to be submitted to the Income Tax Officers, and inviting the suggestions of the Chamber thereon. The Committee replied on the 18th March 1939 stating that under item No. 2 of Part I of the form which required particulars about interests on securities to be filled in, it was not made clear as to whether only interest actually received by the assessee has to be shown or the gross amount, although the Note No. 7 stated that the gross amount should be shown. The Committee felt that that amount of interest to be shown should be what is actually received by the assessee, that is after deducting all taxes and requested the Government to make the position clear. The Committee also felt that the particulars required to be shown under Part IV regarding income from business, profession or vocation of partners in registered firms were complicate, and suggested that partners in a firm should be required to fill only those particulars which they could reasonably be expected to be aware of. The Committee also referred to Item No. 5 and Note No. 10 which required assessees to show gross amount of dividend etc., from companies and stated that the assessees should be asked to fill in only the net amount of dividend as it would be very difficult to compute the tax and add it to the net sum. In connection with Note. No. 17(c) regarding depreciation the Committee suggested that it should be clearly mentioned that the profits made up to and including the previous year for the assessment for the year 1939-40 might be utilised for all unabsorbed depreciation calculated under the old law.

Proposed Rules Nos. 44, 45 and 46.—The Central Board of Revenue invited suggestions from the Chambers of Commerce in regard to their Notification dated the 4th March 1939 proposing new rules Nos. 44, 45 and 46 regarding qualifications of income tax practitioners. The Committee replied on the 27th March 1939 suggesting that the Accountancy Diploma Examination conducted by the Indian Merchants Chamber, Bombay should be

included among the examinations mentioned in rule 45, which provided for the recognition of the examination of certain institutions including the London Chamber of Commerce, for qualifying as income-tax Practitioners.

Rule No. 16.—By their Notification dated the 18th March 1939 the Central Board of Revenue proposed an amendment to rule No. 16 of the Indian Income Tax Rules by which the principal officers or managers of firms, companies, public bodies, Government offices etc., were to submit returns of income in prescribed manner to the income tax officers in case of persons under them receiving salaries of Rs. 1,600/- per year instead of Rs. 2,000/- as at present. The Committee thereupon wrote to the Central Board of Revenue on the 1st April 1939 stating that when the minimum income exempted from income tax was kept at Rs. 2,000/- there was hardly any reason for changing the limit to Rs. 1,600/- which would put the employers to unnecessary burden. The Committee therefore opposed the proposed amendment.

Rule Nos. 2 to 6.—The Central Board of Revenue by their Notification dated the 18th March 1939 proposed a new rule in place of the rules Nos. 2 to 6 regarding applications for registration of firms under section 26(a) of the Indian Income Tax Act. The Committee wrote on the 24th April 1939 objecting to the proposal requiring the signatures of "all partners in the firm" to the form of application for registration of a firm under section 26(a). The Committee pointed out that under the existing law signature of even one of the partners was accepted and in view of the difficulties that might be experienced in getting the signatures of all the partners of a firm within reasonable time, the Committee urged the Central Board to retain the present provision.

On the 13th June 1939 the Central Board of Revenue forwarded their Notification No. 50 dated the 10th June 1939 regarding certain amendments to the Indian Income Tax Rules, 1922. The amendments proposed the Forms of Return for individuals, firms, Hindu undivided families and other Associa-

tions and companies. On the 22nd June 1939 the Committee submitted their views on the amendments. The Committee stated that in the proposed Form B for companies item No. 9 relating to "losses sustained in the former years" was not clear. The Committee suggested that it should be altered to "losses carried over from the year previous to the year of assessment or year before that".

The Central Board of Revenue Notification No. 59 dated the 22nd July 1939, proposed certain amendments in the Income Tax Rules to the effect that applications for registration of firms and for renewals of registration should be signed personally by each partner of the firm. The Committee felt the amendment would put the partners in a firm to unnecessary inconvenience in as much as these applications would not be made easily if any partner was away. The Marwari Chamber of Commerce also drew the attention of the Committee to the matter. The Committee therefore addressed a letter on the 20th September, 1939, to the Central Board of Revenue on the subject pointing out the difficulties that would result on account of the proposed amendments. The Committee stated that a partner would be fully liable for the contents of a document even if the same was signed by a person holding a power of attorney on his behalf.

Amendments to the Income Tax (Provident Fund Relief) Rules.—On the 27th May 1939 the Central Board of Revenue forwarded a copy of their Notification No 44 dated the 27th May 1939 proposing certain further amendments to the Indian Income Tax (Provident Fund Relief) Rules. Rule 7 of the Income Tax (Provident Fund Relief) Rules provides that the employer shall deduct instalments from the employee's salary and pay them to the trustee and that the deduction shall commence on the 2nd monthly payment made after the withdrawal or in the case of an employee on leave without pay, from the second monthly payment made after his return to duty. The words "whose income under the head 'salaries' is Rs. 1,500 or over per annum" were proposed to be added to this Rule and at the end the following sentence was proposed to be added :

"Similar abstract shall also be furnished in respect of other employees participating in a recognised Provident Fund who were allowed withdrawals under Rule 4 of the Indian Income Tax (Provident Fund Relief) Rules or who come within the purview of Rule 11 of these Rules." The Commitee had no objection to the proposed amendments.

Rates of premium for Fire Insurance.—On the 13th July, 1939, the Karachi Indian Merchants Association forwarded a copy of their letter addressed to the Bombay Fire Insurance Association, in which they had pointed out that from the 1st July 1939, the new Insurance Act had come into force and as the Agents' commission had been limited to 15% and the rebate was rendered illegal, it was necessary that the premia on all general insurance should be reduced. According to the Karachi Association, the present premium rate was very high and under the present trade conditions was bound to affect trade and industry in an adverse manner. A copy of the letter addressed to the Calcutta Fire Insurance Association in this connection by the Bengal Millowners Association on the 5th July 1939 was also received. The Millowners Association had stated that the Bombay Fire Insurance Association had made a reduction in their rates for mills by about 35% and the Calcutta Fire Insurance Association should also therefore make a similar reduction. The Committee referred the matter to the Indian Sugar Mills Association for necessary action.

Rates of Schedule for Fire Insurance.—Apropos a letter received by the President from Lala Shri Ram the question of reduction in the rates of schedule for fire insurance was considered by the Committee. On the 19th June 1939 the Committee wrote to the Indian Sugar Mills Association suggesting that the matter might be taken up by them with the Insurance (Tariff) Association. On the 15th of July 1939 the Sugar Mills Association forwarded a copy of the letter dated the 14th July 1939 received by them from the Calcutta Fire Insurance Association on the subject. The letter stated that the Committee of the

Calcutta Fire Insurance Association were giving close attention to the representation made by the Association on the subject.

Recognition of the Automobile Club of Upper India by the Calcutta Accident Assurance Association.—The Indian Chamber of Commerce, Lahore, wrote to the Chamber on the 24th July, 1939 forwarding copies of correspondence between the Automobile Club of Upper India and the Calcutta Accident Assurance Association regarding recognition of the Club and invited support of the Chamber in the matter.

It appeared that the Club was started by some members of the Northern India Automobile Association, who had resigned from the Association on account of the unsatisfactory manner in which the affairs of that Association were managed and due to the discriminatory treatment given to Indian members. The Calcutta Accident Association also withdrew its recognition of the Northern India Automobile Association. When the new Club was being formed the Accident Association agreed to recognise the same but subsequently refused to do so on the plea that their members would be involved in further sacrifice.

The Committee addressed a letter on the 28th September, 1939, to the Calcutta Accident Assurance Association pointing out the necessity of the Accident Association granting recognition to the Club even conditionally on the fulfilment of some conditions. The Committee believed that it would be advantageous both to the motorist public and the insurance companies to have a recognised body in the Punjab.

The Calcutta Accident Assurance Association replied on the 2nd October, 1939, stating that the matter was receiving their attention.

Question of acceptance of Indian Insurance Policies by the Exchange Banks.—On the 4th August, 1939 the Karachi Indian Merchants Association forwarded to the Chamber a copy of their letter addressed to the Government of

India regarding the acceptance by the Exchange banks of policies issued by Indian insurance companies. It was pointed out that buyers of commodities at London and Liverpool stipulated in their letters of credit that the insurance will be effected with an all-British company and the Exchange Banks therefore accepted only those documents, the relative goods of which were covered by British Insurance Companies. The result was that certain amount of Insurance which would have been obtained by Indian companies passed to non-Indian ones. A few years back a similar restriction, it was said, was placed on colonial Insurance companies but when the colonial Governments took up the matter with the Home Authorities the restrictions were removed. The Karachi Merchants Association had requested the Chamber to urge the Government of India to take up the matter with the Home Government with a view to get such a restriction removed and secure fair treatment for Indian insurance companies.

The Committee thereupon addressed a letter on the 19th September, 1939, to the Government of India supporting the representation submitted by the Karachi Merchants Association. The Committee also pointed out that the New Insurance Act as amended imposed strict conditions on Indian insurers and it was unfair to Indian insurance companies that they should be submitted to further restrictions of this nature. The Committee believed there were sound insurance companies in India and the banks should have no objection to accept documents covered by these companies.

At the instance of Messrs. Ruby General Insurance Co., the Committee further addressed a letter on the 6th December, 1939 to the Reserve Bank of India drawing attention to the practice adopted by certain banks of not accepting the policies issued by Indian insurance companies as they themselves represented other foreign companies. The Committee stated that this practice was unfair to Indian companies and if allowed to continue would retard the growth of insurance in India. The Committee suggested that the Reserve Bank should circularise to all scheduled banks deprecating this practice and also a definite provision prohibiting the

banks and their nominees from becoming agents of insurance companies should be made in the draft Bank Bill submitted by the Reserve Bank of India to the Government of India. The matter is receiving attention.

Discrimination made against the Indian Insurance Companies in the matter of Fidelity and Guarantee Bonds for Postal transit.—Messrs. Bharat Insurance Co., wrote to the Chamber on the 30th November, 1939 stating that the Government of India required consignors to obtain permits from the Chief Censor to the Government of India for consignments made to neutral countries through the post office. For getting such permits the consignors had to obtain Fidelity bonds from Insurance Companies. The Chief Censor of India however recognised the Fidelity Bonds issued only by British Insurance Companies. The Bharat Insurance Company stated that this practice was highly discriminatory and prejudicial to the interests of Indian companies who were deprived of this kind of business.

The Committee thereupon addressed a letter on the 14th December, 1939 to the Chief Censor to the Government of India enquiring about the instructions issued by him in connection with obtaining Fidelity Bonds from insurance companies in case a consignor wanted to get a permit for despatching goods to neutral countries. The matter is receiving attention.

Paid Executive for the Calcutta Fire Insurance Association.—At the instance of Messrs. Vulcan Insurance Co., the Committee addressed a letter to the Calcutta Fire Insurance Association on the 24th November, 1939 stating that they learnt that the question of appointing a paid executive for the three non-life insurance associations was being considered by a special sub-committee appointed by them. The Committee stated that if an Indian was appointed on this post, it would go a long way in assuring the Industrial and Commercial public about the policy of the three associations. The Calcutta Fire Insurance Association replied on the 6th December, 1939 stating that the question of appointment of a paid executive was being considered by the

special sub-committee and the Chamber's letter had been referred to them.

War risk insurance on land.—The Bombay Insurance Brokers Association wrote to the Chamber on the 26th September, 1939 pointing out the necessity of evolving a scheme for covering property against war risk on land. The Committee thereupon addressed a letter on the 18th October, 1939 to the Calcutta Fire Insurance Association and the Calcutta Accident Insurance Association enquiring if any steps were proposed to be taken to provide adequate cover against war risk insurance on land in the insurance policies. The Calcutta Accident Insurance Association replied on the 7th November, 1939 stating that they did not propose to take any measures to provide cover against war risk on land. The Calcutta Fire Insurance Association replied on the 3rd November 1939 expressing their inability to do anything in the matter and pointing out that even in Britain the insurance companies and Lloyd's had agreed not to cover such risk in view of accumulation of liability in a congested area and possible heavy losses which their funds might not be able to meet. They further pointed out that war risk insurance was a national liability.

RAILWAYS.

Revision of train timings.—It was recorded on page 156 of the last annual report that the Committee had made several suggestions to the E. I. Ry. regarding alterations in train timings. The E. I. Ry., replied on the 27th February, 1939, forwarding the decisions of their Local Advisory Committee in regard to the various proposals made by the Chamber The E. I. Ry. had accepted one suggestion of the Chamber for starting 1A up train from Azimganj one hour later. The decisions of the E. I. Ry. were conveyed to interested members of the Chamber.

The E. I. Ry. wrote to the Chamber on the 1st June, 1939, inviting suggestions in connection with the revision of the train timings from 1st October, 1939. The Committee issued a circular to members of the Chamber and forwarded all the suggestions received from them to the Railway on the 20th June, 1939. The suggestions related to 7 Up Toofan Express, 8 Down Toofan Express, the Punjab Mail, Delhi Mail and a number of other trains.

The E. I Railway invited the suggestions of the Chamber in connection with the revision of train services from 1st April, 1940. Suggestions were invited from members in this connection and duly forwarded to the Railway

Timing of the Arrival of the Punjab Mail.—At the instance of Messrs. A. R. Oosman & Co., the Committee addressed a letter to the E. I. Ry., pointing out that if the Punjab Mail were made to arrive earlier at Howrah the letters carried by this train might be delivered in Calcutta by the 10 A.M delivery and this would facilitate the business firms in the City to reply to their correspondence on the same day. The Committee stated that they learnt from the Postal Department that the Punjab Mail arrived at 7-45 A.M. and the letters reached the G. P. O. at 8-35 A.M. and were included in the 10-30 A.M. delivery and unless the railway authorities could arrange for the earlier arrival of this train it was not possible for the Postal Department to do anything in the matter. The E. I. Ry., replied on the 19th April 1939 stating that the question of bringing the Punjab Mail earlier into Howrah had been gone through carefully but in view of the important connections with the Sind Express and Karachi Mail at Lahore, this train could not be timed into Saharanpur earlier than 1-50 nor could it be accelerated over the East Indian Railway line in order to make it arrive earlier at Howrah. The railway regretted that they were unable to comply with the request of the Chamber for these reasons.

Publicity Campaign for promoting Inter and Third class travel.—This subject has a reference on page

157 of the last Annual Report. In reply to the Chamber's letter of the 7th December 1938 in this connection the Railway Board had written that the contract was placed with Messrs. D. J Keymer & Co. Ltd., as an experimental measure for one year. The Committee therefore addressed a further letter on the 11th February 1939 enquiring as to when the experimental period was to expire as also the particulars of the cost of the publicity campaign. The Railway Board acknowledged this letter on the 3rd March 1939 stating that a reply will be sent in a short time.

The Railway Board further wrote to the Chamber on the 30th June 1939 stating that the contract they had entered into was for one year only and the Chamber might furnish them with the names of reliable Indian Publicity Firms so that when the short term contract with Messrs D. J. Keymer & Co expired the whole subject might be reviewed. The Committee replied on the 2nd September, 1939 giving the names of several Indian Publicity Firms as desired.

The Railway Board however informed the Chamber on the 12th September, 1939, that they did not propose to continue the special advertising campaign for increasing intermediate and third class travel on railways in view of the prevailing altered circumstances.

Frequent Major Accidents on the E. I. Ry.—On learning of the accident to the 9 Up Dehra-Dun Express near Hazaribagh on the 12th January 1939 the Committee addressed a telegram on the 14th January and a letter on the 18th January 1939 to the Railway Board stating that they were shocked to hear of the major accidents which had taken place on the E. I. Ry., for the past several months. The Committee pointed out that since the unfortunate disaster at Bihta in July 1937 major accidents had occurred which created an impression that railway travel over this particular section over the E. I. Ry., had become unsafe. The Committee suggested that the Government of India should immediately institute a public enquiry by a competent and impartial body to investigate into the causes of these acci-

dents and take suitable measures to remove them. The Railway Board replied on the 29th January 1939 referring to the Chamber's telegram of the 14th January and stating that the Railway Board were not less shocked to hear of the serious accident near Hazaribagh Road. They further stated that the Senior inspector who enquired into the cause of the accident decided that it was unquestionably a case of sabotage. The Railway Board added that it was open to the district Magistrate or such other Magistrates appointed by the Provincial Government concerned to hold enquiry in the matter if it was considered necessary.

Shortage of wagons for transporting grass to Paper Mill at Jagadhri.—At the instance of Messrs. Karamchand Thapar & Brothers Ltd., the Committee addressed a telegram and a letter on the 11th March 1939 to the Traffic Manager of B & N. W. Ry., pointing out that great difficulties were experienced by the paper mills at Jagadhri in obtaining adequate number of wagons for transporting Bankas grass from several stations on the Railway. The Committee stated that about 2 lakhs maunds of grass had accumulated at these stations and the same was a danger to the inhabitants and would involve the mills concerned in loss on account of grass being highly inflammable. Moreover, they stated that grass should be removed from the station before the middle of March, because by that time the Government Authorities set up a regulation fire. The Committee, therefore, requested the Railway to supply adequate number of wagons to transport this large stock of grass in order to fulfil the requirements of the paper mills as also to avoid dangers and loss arising from accumulation of stock. The B. & N. W. Ry., replied on the 17th March 1939 stating that the supply of wagons for Bankas traffic had been arranged.

Messrs. Shree Gopal Paper Mills Ltd., addressed a letter on the 11th October, 1939 to the Committee stating that as in last year they apprehended difficulties due to inadequate supply of wagons for the purpose of carriage of grass from the Stations on the B. N. W. Rly. to their factory at Jagadhri. They stated that if wagons were not available stocks would be accumulated at the

Railway Stations. They also pointed out that Bankas grass was a highly inflammable material and a perishable commodity when exposed to draught. The nearness of Depots to residential quarters and railway premises was an additional source of danger to the stocks. They requested the Committee to take up the matter with the Railway authorities.

The Committee thereupon addressed a letter on the 18th October, 1939 to the B. N W. Railway drawing their attention to the matter. They suggested that sufficient wagons should be made available to Messrs. Shree Gopal Paper Mills Ltd., for carriage of grass to their factory. The B. N. W. Railway replied on the 30th October, 1939 stating that necessary action was being taken in the matter.

Difficulties of Passengers on the E. I. Ry.— Messrs. Gridharilall Laxminarayan wrote to the Chamber on the 9th January and 14th February 1939 pointing out the difficulties of the third class passengers, on account of the very little space allotted to each passenger under the system of reservation of seats and also on account of the long size of third class compartments which made it difficult for passengers moving from one end to another in going to lavatories. Messrs. Girdharilal Laxminarayan also stated that passengers suffered in the absence of a first and second class composite bogey ear marked for through passengers from Cawnpore to Howrah and Howrah to Cawnpore in both the Up and Down Delhi-Calcutta Mail. The Chamber was requested to take up these matters with the Railway authorities and have the grievances removed. The Committee requested Mr. M. L. Shah, the representative of the Chamber on the E. I. R. Local Advisory Committee for taking up the matter.

Air-conditioned Services between Howrah and Delhi.—The attention of the Committee having been drawn to a press report that the Railway Board were considering proposals for introduction of air-conditioned services between Lahore and Karachi and between Delhi and Peshawar, a letter was addressed to the E. I. Ry., on the 17th May 1939 on the subject. The

Committee regretted that there was no mention of a similar service between Howrah and Delhi and they reiterated the necessity of air-conditioned service on this important route. The Committee also suggested that the system of air-conditioned service which was adopted on these routes should preferably be on the lines of the system in force over the B. B. and C. I. Ry. The matter was also placed for discussion with the Chief and the Financial Commissioners of Railways. They promised to consider the matter.

Procedure of supplying wagons.—It was stated in the last Annual Report on page 158 that a letter was addressed to the Railway Board suggesting that Station Masters should when requested by a consignor arrange for the supply of necessary number of wagons without insisting on the goods being first brought on the platform and inform the consignor of the date when the goods may be booked so that the consignor may bring his goods in time without incurring the risk of keeping the goods on the platform for an indefinite period. The Railway Board replied on the 15th June 1939 stating that as conditions varied on different railways and even at different stations on the same railway, the arrangements at present in force at various stations regarding booking of wagon load consignments were considered to be best suited to the circumstances at individual stations. The Railway Board further believed that the existing method of registering consignments which ensured that these were despatched strictly in the order in which they were tendered to the Railway were in the best interests of Trades generally and that these methods which had been well tried were found to be satisfactory but were liable to fail if goods were not brought to the stations when a consignment note was offered. The Board therefore did not consider it feasible to adopt the proposal made by the Chamber. Regarding the alternative proposal of the Chamber it was stated that the same was not practicable for general application so far as wagon load consignments were concerned. According to the Board there were special reasons which justified the introduction of one system for goods tendered in small lots and another for wagon load consignments, as in the latter case the question

of supplying wagons in the strict order of registration was of great importance both to the Railway and the Trading Community. The Board further suggested that if at a particular station difficulty was experienced in the issue of the railway receipts for wagon load consignments, a reference to the railway concerned would certainly cause remedial measures to be adopted. The Committee thereupon decided to forward the matter for discussion at the next Informal Quarterly Meeting.

Illegal Gratification to the Railway Staff.—The E. I. Ry. wrote to the Chamber on the 15th June 1939 stating that the subject of illegal gratification to the railway staff was discussed at the 20th Informal Quarterly Meeting when it was suggested that organised sections of the trading community should come to a definite decision to stop payment of illegal gratification and ensure that their members should observe such a result. It was further stated that the railway would take all the necessary steps to see that no annoyance or victimisation was caused to merchants as a result of this evil. With a view to collect evidence to establish specific cases in which illegal gratification was demanded or paid to the staff at Howrah-Goods, the E. I. Ry., forwarded questionnaire forms which were to be filled up whenever any illegal gratification was either paid or demanded by the staff and sent to the railway. The Chamber was requested to supply these forms to the members and request them to take special interest in the matter and co-operate with the Railway. It was stated that the information supplied will be treated as confidential and not used for legal proceedings. The Committee thereupon issued a circular to members of the Chamber on the 6th July 1939 distributing the Questionnaire forms and explaining the matter.

Referring to this circular Messrs. Bengal Potteries Ltd., enquired from the Chamber if similar cases of illegal gratification at Sealdah station could also be reported to the Eastern Bengal Railway. The Committee addressed a letter on the 28th July, 1939 to the Eastern Bengal Railway inquiring about the matter and suggesting that this system should be introduced on the

Eastern Bengal Railway if they had not already done so. The Eastern Bengal Railway replied on the 9th August, 1939 stating that they had adopted a system similar to that of the East Indian Railway at the Sealdah Goods. They also forwarded questionnaire forms to be distributed amongst the members of the Chamber who might have traffic on that Railway.

System of Charging at the Howrah Retiring Room.—In his letter dated the 7th June 1939 Rao Bahadur D. D. Thackkar while forwarding certain suggestions about alterations to train timings had also stated that the system of charging at the Howrah Retiring Room was inequitable. The passengers were charged from midnight to midnight and if any one occupied the room from 9 P.M. to 7 A.M in the morning he had to pay for the period from 9 P.M. to 12 midnight full previous 24 hours charges and for the period after 12 midnight he had to pay again full 24 hours charges. He had suggested that the system should be modified so that passengers might not be required to pay unnecessarily double charges. The Committee considered the matter and referred it to Mr. M. L. Shah the representative of the Chamber on the East Indian Railway Local Advisory Committee for taking it up in the Advisory Committee.

Green Arrow quick system.—At the instance of Messrs. Calcutta Chemical Co. Ltd., the Committee addressed a letter on the 17th August, 1939 to the Eastern Bengal Railway stating that while they appreciated the facilities offered by the Railway for quick delivery of consignments under the Green Arrow system they felt that the rate of Re.1/-/- per consignment charged under the system was rather high. The Committee suggested that the Railway might examine the possibility of introducing two scales of charges—one for big consignments and another for small ones, so that a large section of the public may be enabled to take advantage of the facilities offered under this system. The Railway replied on the 29th August, 1939 stating that the rate could not be lowered for small consignments as the overhead charges incurred such as extra staff, notice of arrival and intimation of delivery and the shunting operations after

sorting out Green Arrow traffic, were the same for big and small consignments. They further pointed out that a similar system was in operation on British Railways and the fee charged for similar service was half crown per consignment. The Railway therefore expressed their inability to accept the suggestion made by the Chamber.

Infringement of Section 42(2) of the Indian Railways Act by Dehri Rohtas Light Railway.—Messrs. Kalyanpur Lime and Cement Works Ltd., wrote to the Chamber on the 26th July, 1939 drawing attention to an application submitted by them to the Railway Board on the 4th March, 1939 requesting the Board to refer the question of infringement of section 42(2) of the Indian Railway Act by the Dehri Rohtas Light Railway to the Railway Rates Advisory Committee. It was stated that though a long time had passed, the Railway Board had not yet referred the matter to the Railway Rates Advisory Committee. The Committee thereupon addressed a letter to the Railway Board on the 1st August 1939 inquiring into the matter. The Railway Board replied on the 16th September, 1939 that the application of Messrs. Kalyanpur Lime and Cement Works Ltd., against the Dehri Rohtas Light Railway had been forwarded to the Railway Rates Advisory Committee for investigation and Report.

Provincial and Regional Transport Authorities.—The Government of Bengal wrote to the Chamber on the 29th August, 1939 referring to section 44 of the Motor Vehicles Act of 1939, which required the Provincial Governments to constitute a Provincial Transport Authority and Regional Transport Authorities. The Government of Bengal asked the opinion of the Chamber as regards the personnel of these Authorities. The Government further desired the views of the Chamber on the question of regional areas for the authorities as to whether the present districts with their existing boundaries should be treated as areas for the purpose. The question of Authorities to whom appeals should be filed against the orders of the Regional Transport

Authorities and of the Provincial Transport Authority was also mentioned.

The Committee replied on the 17th October, 1939 inviting the attention of the Government to the model rules circulated by the Government of India under the Motor Vehicles Act, which they understood were more or less approved by the Government of Bengal. The Committee stated that if the Government of Bengal had circulated these rules for the opinion of the various Chambers of Commerce, it would have been a great help in considering the question of personnel of the Provincial Transport Authority and the Regional Authorities. Regarding the personnel of the Provincial Transport Authority the Committee suggested that the same should be formed as under :—

1. Senior Member of Board of Revenue or Secretary, Local Self-Government Department. Chairman.
2. Inspector General of Police.
3. Chief Engineer P.W.D.
4-5. Two members representing municipalities and District Boards.
6-9. Four members representing Chambers of Commerce.
10. Secretary Local Self Government Department.
11. An official appointed by the Government to be the Secretary.

Regarding the Regional Transport Authority for Calcutta the Committee suggested that the following should form the same.

1. Commissioner of Presidency Division—Chairman.
2. The Deputy Inspector General of Police or his nominee to represent suburban areas.
3. Deputy Commissioner, Public Vehicles Department—As Secretary.
4. One councillor of the Calcutta Corporation.
5-8. Four representatives of Chambers of Commerce.

As regards the jurisdiction the Committee were of opinion that the present districts with their existing areas should form the different regions, while the city of Calcutta and the suburbs should form one region.

As regards appeals, the Committee suggested that appeals from Regional Transport Authorities should lie with the Provincial Transport Authority while the appeals from the Provincial Transport Authority should lie with a judicial officer of the rank and experience of a High Court Judge.

Detention of Wagons underload during Labour strikes.—The East Indian Railway addressed a letter to the Chamber on the 29th August, 1939 inviting attention to the question of wagons remaining under-load during the incidence of labour strikes. It was stated that industrial concerns often failed promptly to notify the railways well in advance of the occurrence of a strike that the booking of goods to their factories was to be stopped. The railway had stated that it would therefore reserve to itself the right of determining when restriction on bookings to industrial concerns should be imposed. It was also stated that failure to give timely notice to the railway of a strike which was expected to occur would render the industrial concern liable for the entire amount of demurrage that might accrue in such cases. The matter was subsequently discussed in the Informal Quarterly Meeting between the railways and the Chambers of Commerce where it was pointed out to the railways that there were such occurrences as lightning strikes or strikes where only short notice was given and it was not always possible for the industrial concerns to inform the railways before the strike actually occurred. The opinion generally expressed by the Chambers of Commerce was that where any industrial concern became aware of or was notified of a strike sufficiently in advance of its occurrences such concern should co-operate with the railway and assist in protecting the railway interests. The East Indian Railway circulated a summary of this discussion on the 7th October, 1939 with a view to remove any misapprehension that industrial concerns might entertain from their previous letter, about the

railways seeking to impose impracticable conditions. The East Indian Railway stated that it was never intended that on the mere threat of a strike industrial concerns should advise the railway to impose restrictions on their traffic. The Committee of the Chamber considered the matter and decided to circulate this explanation of the railways to members. The East Indian Railway however, further addressed the Chamber on the 13th October 1939 stating that cases frequently occurred when industrial concerns though notified of strikes or warnings of strikes among their labourers did not take timely notice to stop and restrict consignments coming forward and as a consequence of the same considerable number of wagons were detained under-load in sidings and railway yards. Heavy demurrage was incurred by the firms in such cases but the strike conditions were always advanced as ground for remission of the demurrage. The railway stated that such cases were always dealt with on their merits But in future whenever possible notice should be given of the imminence of strikes and remission of demurrage would depend on such notice and on evidence that prompt steps had been taken to stop and restrict despatch of consignments to firms. The railway further stated that cases of lightning strikes and similar incidences would receive sympathetic consideration on their merits. The previous letters of the railways in this connection were stated to be cancelled and the Chamber was requested to advise members in the light of this communication.

The Committee of the Chamber considered the matter and decided that the question be forwarded for discussion at the next Informal Quarterly Meeting as also in the Advisory Committee Meeting of the East Indian Railway. The matter is receiving attention.

Levy of surcharge on coal, coke and patent fuel booked to Bombay and stations in the vicinity of Bombay.—The Bengal Nagpur and East Indian Railways wrote to the Chamber on the 28th and the 29th September, 1939 stating that the surcharge of 12½% subject to a maximum of Re. 1/- per ton leviable on all coal, coke and patent fuel was not till now

levied in case of these articles booked to Bombay and stations in the vicinity of Bombay. The Railways however on account of altered circumstances proposed to levy this surcharge on all such coal, coke and patent fuel from the 1st November, 1939. Soft coke was to be exempted from this surcharge owing to its unsuitability for metallurgical purposes.

The Committee thereupon inquired from the railways on the 17th October, 1939 about the nature of altered circumstances which according to the Railways necessitated the discontinuing of this exemption.

The East Indian Railway replied on the 3rd November, 1939 stating that in view of the recent increase in the sea freight for coal which was likely to continue, the Railway Board considered that there was no justification for exempting coal consigned to Bombay and stations in the vicinity of Bombay from the usual surcharge.

The Bengal Nagpur Railway also replied to the Chamber on the 9th November, 1939 stating that it was on account of the low competitive sea freight prevailing that a rail freight lower than the normal freight had hitherto been charged. According to the Railway the withdrawal of the surcharge merely put the despatches of coal by the all rail routes to Bombay on the same footing as applied generally to coal transported by rail throughout the country. The Committee however felt that because the sea freight was increased there was no reason why the surcharge should also be withdrawn and they decided to address the Railways further in the matter.

The Committee further addressed a letter to the E. I. Railway and the B. N. Railway on the 19th December, 1939 pointing out that shipping freight had increased on account of a number of factors which however did not apply to the Railways. The Committee pointed out that shipping companies had to pay increased war risk insurance, and higher wages to seamen in service on account of war. The Committee therefore saw no justification for the railways to levy the surcharge on the plea of

increase in shipping freight. They further pointed out that the industries situated in that area would be prejudicially affected by the levy of surcharge on coal. The Committee therefore requested the Railway to reconsider their decision and exempt coal booked to these stations from the surcharge.

Railway Freight on Coal booked to Bangalore.—The Mysore Chamber of Commerce wrote to the Chamber on the 15th November, 1939 drawing attention to the question of reduction in the Railway rate for coal booked to Bangalore They stated that the rate for coal booked to Bangalore was very high as compared with that for other stations even though situated at about the same distance from the coal fields. Moreover, the railway rate from the nearest ports to Bangalore was also high. The Mysore Chamber stated that such a high rate was operating to the prejudice of the industries situated in Mysore. They had taken up the matter with the Railways concerned and the Railway Board and they suggested that the Chamber should also take up the matter. The matter is receiving attention.

Maintenance of a connection at Delhi between the B.B. & C.I. Railway, 2 Down Sind Delhi Mail, and the E. I. Railway 2 Down Delhi Calcutta Mail.—At the instance of Messrs. Jeevanlal (1929) Ltd , the Committee addressed a letter to the Railway Board on the 4th December, 1939 pointing out that the B. B. & C. I. Railway Sind Delhi Mail arrived at Delhi at 7-25 A.M. and the E. I. Railway Delhi Calcutta Mail left Delhi for Calcutta at 6-55 *i.e.*, 30 minutes earlier and therefore a large number of passengers coming for Calcutta from Cutch, Kathiawar, Gujerat and Rajputana by the Sind Delhi Mail could not avail of the latter train but had to travel by the Upper India Express which was the next available train for Calcutta. This train however reached Calcutta at 3 P.M. on the next day whereas the Delhi Calcutta Mail reached there at 8 A.M. *i.e.* six to seven hours earlier. Moreover, persons reaching Calcutta at 3 P.M. in the day could not attend to their business on the same day and one whole day was thus unnecessarily wasted. The Committee suggested that arrangements should be made that the Sind

Delhi Mail might arrive in Delhi half an hour earlier and the Delhi Calcutta Mail left Delhi half an hour later, so that the large number of passengers travelling by Sind Delhi Mail for Calcutta may be able to catch the Delhi Calcutta Mail. The Committee also pointed out that any change in the departure time of the Delhi Calcutta Mail from Delhi should not affect the arrival time of this train at Calcutta. The Railway Board replied on the 12th December, 1939 stating that the matter had been referred to the East Indian, North Western and the Bombay, Baroda and Central India Railways. The Committee thereupon addressed letters to the respective Railways pointing out the difficulties in the matter. The East Indian Railway replied on the 23rd December, 1939 regretting their inability to change the departure time of the Delhi Calcutta Mail from Delhi in view of the pressing demands for an even earlier arrival of the same at Calcutta than at present.

The B. B. & C. I. Railway replied on the 8th January, 1940 pointing out that the running of the Sind Delhi Mail was governed by the arrival of their Broad-Gauge trains into Ahmedabad and it was not possible to bring in the Sind Delhi Mail earlier in to Delhi. They further pointed out that the Delhi Calcutta Mail used to leave Delhi between 8 to 8-25 A.M. until 30th September, 1938 but subsequently the time for its departure was changed. They suggested that the East Indian Railway should be asked to revert to the old departure time so that the connection may be maintained.

The Committee further wrote to the B. B. & C. I. Railway on the 15th January, 1940 stating that they were taking up the matter with the East Indian Railway. As regards the plea that the running of the Sind Delhi Mail was governed by the Broad-Gauge Trains arriving into Ahmedabad, the Committee pointed out that the Sind Delhi Mail departed about an hour and a half after the arrival of the Gujerat Mail into Ahmedabad. The Committee felt it was not necessary that there should be one and a half hours difference between the arrival of Gujerat Mail in Ahmedabad and the departure of the Sind Delhi Mail therefrom.

The Committee suggested that the Sind Delhi Mail should therefore be scheduled to depart earlier so that it might arrive earlier in Delhi.

Issue of Monthly Tickets to Representatives of Business firms.—The Committee addressed a letter on the 25th August, 1939 to the East Indian Railway enquiring about the modification in the system of issuing monthly tickets in the names of servants of business houses. The railway replied on the 9th October, 1939 stating that the system of issuing monthly tickets in the name of three employees of business firms was introduced from the 1st December, 1936 on the request of certain sugar mills who pointed out that they had to send peons to outstations for purchasing cane and difficulties were experienced when one employee fell ill or went on leave, as the ticket had to be cancelled and a new one issued in the name of another employee. The Railway further stated that it was later however, discovered that this system of issuing monthly tickets in the name of three employees was being abused by some petty firms of grocers, who combined and obtained one ticket covering the three concerns. This led to the withdrawal of the concession from 1st December, 1937. The system had now been, however, reintroduced from the 1st August, 1939 on the representation of certain business firms and in order to prevent recurrence of the abuse the Railway had decided to grant this concession only to registered firms and limited liability companies. The Committee thereupon wrote to the Railway on the 17th October, 1939 pointing out that there were various joint family firms and sole proprietorship firms which were neither registered firms nor limited liability companies but all the same needed this concession as much as the latter. The Committee suggested that the sole criterion for determining the grant of the concession should therefore be whether or not the firm was a *bona fide* business firm, which could be ascertained by making local enquiries.

Delay in obtaining delivery of piece-goods at Shalimar.—Messrs. Anandram Gajadhar in their letter dated the 5th October, 1939 drew attention of the Committee to the in-

convenience caused to piece-goods merchants due to unusual delay in obtaining delivery of piece-goods at Shalimar even when the wagons arrived in time. The Committee thereupon addressed a letter on the 17th October, 1939 to the B. N. Railway drawing their attention to the undue delay experienced in obtaining delivery of piece-goods and requested the Railway to take suitable measures to remedy the position. The Railway replied on the 12th December, 1939 stating that the delay in delivery was caused by delays in placement of wagons and they assured that no further trouble would be caused when conditions returned to normal at Shalimar.

Sitting accommodation on the platform of Howrah Station.—The Calcutta Rice Merchants. Association drew attention of the Committee to the inconvenience felt by the public due to insufficient sitting accommodation at the Howrah Station. The Committee thereupon requested Mr. K. L. Jatia, the representative of the Chamber on the B. N. Railway Local Advisory Committee, to take up the matter. The B. N. Railway replied to Mr. Jatia that the matter of providing facilities at the Howrah Station was within the control of the E. I. Railway and they had forwarded the letter therefore to that Railway. The East Indian Railway also replied on the 14th October, 1939 stating that it was not possible or practicable for them to provide for more benches on the platforms as that would lead to obstruction and cause inconvenience to passengers. The requirements of passengers who had to wait were however being looked into and arrangements were being made to provide garden benches and fans at certain other places within the station premises.

Preferential supply of coal wagons to cotton mills.—The Mohini Mills Ltd., addressed a letter to the Chamber on the 20th December, 1939 enclosing copies of correspondence, they had with the Coal Wagon Supply Committee regarding preferential supplies of wagons to cotton mills. It appeared that the Mohini Mills Ltd., had suggested to the Wagon Supply Committee to enrol their name in the preferential list for supply of wagons. The Coal Wagon Supply Committee had replied stating that cotton

mills were not entitled to preferential supplies. The Mohini Mills Ltd., requested the Chamber to take up the matter with the Coal Wagon Supply Committee. The matter was referred to Mr. A. L. Ojha, who was however of opinion that according to the present arrangements cotton mills were not entitled to preferential supplies of coal wagons. The matter was therefore recorded. On the 2nd January, 1940 the Committee wrote a letter to the Coal Wagon Supply Committee pointing out that the stocks of coal with the Mohini Mills were very low and the Mill would have to close down if further supplies were not soon made available The Coal Wagon Supply Committee replied on the 6th January, 1940 stating that arrangements had been made to restrict supplies on account of Loco and Public Utility concerns to Tuesdays and Fridays each week in order that more wagons might be made available for public loading. They suggested that the Mohini Mills Ltd., be advised to avail of this opportunity. The Mill were duly informed about the new procedure.

Shortage of wagons for transport of lime on the G. I. P. Railway.—At the instance of Messrs. New India Sugar Mills Ltd. the Committee addressed a letter to the G. I. P. Railway on the 28th December 1939 drawing their attention to the acute shortage of wagons experienced by sugar mills for transport of lime. The matter is receiving attention.

Change of the name of Dehri-on-Sone station to Dalmianagar.—At the instance of Messrs. Rohtas Industries Ltd. the Committee addressed a letter on the 30th November, 1939 to the East Indian Railway suggesting that the name of the station Dehri-on-Sone be changed to Dalmianagar in view of the fact that the town had derived its importance from the Industrial Concerns established by Messrs. Rohtas Industries Ltd. The E. I. Railway replied on the 7th December, 1939 stating that they had carefully considered the proposal but regretted they could not agree to any change in the name of the station.

Informal Quarterly Meetings.—The 20th Informal Quarterly Meeting between the Agents of the Railways in

Calcutta and the Presidents of Chambers of Commerce was held on the 8th March 1939 when the following among other subjects were discussed : (1) Illegal gratification to staff ; (2) The E. I. Ry. collection and delivery services in Calcutta; (3) reduction in rate for gunnies over the E. I. Rly. Mr. G. L Metha, the President, attended the meeting on behalf of the Chamber In connection with the subject of illegal gratification to staff it was suggested by the Agent of the E. I. Rv. that the Chambers of Commerce and other organisations of trade such as Produce Association etc., should come to a decision to stop payments of illegal gratification and ensure that the members observed the same. He assured that the Railways would take the necessary steps to see that no annoyance or victimisation was caused to merchants as a result of the complaints against the staff. He also stressed the necessity of bringing to notice special cases for full investigation for action. At the suggestion of Mr Metha it was agreed that the Chambers of Commerce should forward suggestions in regard to the investigation which the Divisional Superintendent, Howrah was reported to be making for improvement upon the existing procedure of booking and delivery of goods in order to remove the loop holes in the system which led to harassment of public by the staff.

A circular was issued by the Chamber in this connection on the 20th March 1939 and suggestions were invited from members and affiliated bodies. The Marwari Rice Mills Association forwarded some cases of illegal gratification along with copies of correspondence with the Rlys. As regards the collection and delivery services, the meeting noted the progress made bv the E. I. Rv., and also decided that the Chambers of Commerce should bring this facility to the notice of their constituents and forward suggestions for expansion and improvement, if any.

As regards the reduction in rates for gunnies over the E. I. Ry., Mr. Metha pointed out at the meeting that sugar factories in Bihar and on the Bengal and N. W. Rlys. had not been benefitted by the reduction of rates for gunnies over the E. I. Ry. from Howrah to other stations on the Railway. The E. I. Ry. agreed to do this and to advise the result to the Indian Chamber.

The Committee forwarded the following subjects for discussion at the 21st Informal Quarterly Meeting :—

1. Procedure for booking goods.
2. Goods collection and delivery services in Calcutta.
3. Opening of the Azimganj Bridge over the River Bhagirathi.
4. Reduction in the rate of freight for bakelite electrical goods.
5. Loading of timber in high sided trucks on the E. B. Ry.
6. Damage to bales of piece-goods through hooks used for loading and unloading.

Regarding the first it was stated that according to the present procedure for booking goods at Howrah when a particular consignment was offered for booking with a forwarding note, a slip was given to the consignor in token of receipt of the goods mentioned in the forwarding note. The accepted forwarding notes were placed in order of their acceptance and ordinarily this order was adhered to for the weighment of consignments. Interference was however encountered in the later stages when the forwarding note was passed on for the making out of railway receipts. Although the published instructions and prescribed procedure left no grounds for complaints it was necessary to see that this procedure was strictly observed and the work done expeditiously. It was further pointed out that although the railways quoted special reduced rates for large consignments, the staff did not of their own accord levy those rates but only when the point was raised by the consignors.

Regarding No. 2 it was pointed out that City booking offices already provided by the E. I. Ry. were too far from the business area which embraced Amratolla Street, Armenian Street, Mullick Street, Canning Street and Portuguese Church Street. It was suggested that a depot should be opened within easy access of these localities.

Regarding No. 3 it was stated on page 133 of the Annual report last year that the Committee addressed a letter to the Government of Bengal enquiring about the progress of the proposed scheme for the construction of a bridge on the River Bhagirathi, at some point between Azimganj and Puradah. The Government of Bengal replied on the 11th April, 1939, stating that no proposal to construct a permanent bridge over the River Bhagirathi at some point between Azimganj and Puradah was at present under their consideration. The Committee thereupon resolved to forward the matter for discussion at the 21st Informal Quarterly Meeting.

Regarding No. 4 it was stated that the existing rates on Bakelite electrical goods were heavy and were many times higher than the Steamship Companies' rates for Coastal Ports. The matter was taken up at the instance of Messrs. Swadeshi Industries Limited.

Regarding No. 5 it was pointed out that use of high-sided trucks for the transport of timber consignments of match factories was objectionable as the factories found it difficult and even dangerous to unload from such trucks. The matter was taken up at the instance of Messrs. Pioneer Match Factory.

As regards the subject No. 6 it was stated that although instructions existed prohibiting the use of hooks for loading and unloading consignments of piece-goods and other similar goods liable to damage the practice of using hooks for loading and unloading had not entirely stopped. The matter was taken up at the instance of Messrs. Anandram Gajadhar.

The Meeting was held on the 7th June, 1939 and Mr. R. L. Nopany, the Vice-President of the Chamber, attended the same on behalf of the Chamber.

Regarding No. 1 it was agreed to depute a representative of the Chamber to visit the Howrah Goods Sheds and examine the existing procedure for the booking of goods in conjunction with an Officer of the Howrah Division with a view to the Chamber for-

mulating any proposal of a practicable nature for improving the system of booking that might occur to them. Regarding No. 2 the East Indian Railway agreed to have the matter further investigated. Regarding No. 3, Mr. Nopany requested reconsideration of the matter and it was also pointed out that unless these facilities were granted, the Radhakrishna Sugar Mills which were situated some three to four miles away from the River contemplated to build a road up to the River bank in which case sugarcane as well as sugar and other commodities would be diverted to the River road to the detriment of the railway. Mr. Nopany however intimated the railways that the subject would be referred for discussion with the Chief Commissioner of Railways during his forthcoming visit to Calcutta.

Regarding No. 5 the railway undertook to issue clear instructions to their staff as to the actual basis of charge for Bakelite electrical goods. As regards No. 6 the E. B. Ry. undertook to examine this matter closely with a view to ensure the use of low-sided trucks as far as possible and proposed to implement this by withholding the supply of high-sided trucks. Regarding the last item all the three railways agreed to reissue instructions prohibiting the use of hooks for loading and unloading of piece-goods and other commodities likely to be damaged by the use of such implements and to take special steps to ensure that the instructions were being acted to.

The 22nd Informal Quarterly Meeting was held on the 13th September, 1939. Mr. M. G. Bhagat attended the Meeting on behalf of the Chamber. The following subjects were forwarded for discussion at the Meeting :—

1. Goods collection and delivery services.
2. Arrival timings of Principal mail trains at Howrah.
3. Facilities for second class passengers.

Regarding No. 1 the Chamber enquired if the Bengal Nagpur Railway proposed to introduce goods collection and delivery services in Calcutta similar to the services introduced by the East

Indian Railway and the Eastern Bengal Railway. The Committee stated these services were much appreciated by the public. On the Bengal Nagpur Railway however the consignees had to make repeated inquiries regarding the arrival of goods at Shalimar Depot, before the arrangements for transport to godowns could be made by either consignees or their clearing agents and that wharfage frequently accrued before delivery of the consignment was affected. The Bengal Nagpur Railway pointed out that wharfage accrued only in case of the consignee not receiving the Railway Receipt in time due to delays in Post or because the Railway Receipt might pass through several hands before it was made out in favour of a definite consignee. The Railway further pointed out that the introduction of this system of collection and delivery would transfer the delay caused by the late production of Railway Receipt from the goods sheds at Shalimar to the merchants godowns or would result in goods being carried forward and backward between the sheds and the godowns. As a result of the discussion however it was decided that if there was a demand from the Commercial Community for the introduction of such a system and if it was properly communicated to the Railway by the Chambers of Commerce, the Railway would further consider the proposal.

As regards item No. 2 the Committee suggested that arrangements should be made to bring the East Indian Railway Down Punjab Mail, the Loop Express and the Bengal Nagpur Railway Bombay Mail earlier in Howrah so that the mails carried by these trains might be made available for 10 o'clock delivery at the G.P.O. As these trains arrived very late in Howrah, the mails could not reach the General Post Office till 9 A.M. and so could not be made available for the 10 O'clock delivery. The East Indian Railway replied that the Punjab Mail had to maintain important connections with the Sind Express and the Karachi Mail at Lahore and it could not be brought into Howrah earlier; as for the Loop Express the railway pointed out that as the train catered for return Court traffic from Patna, it could not arrive earlier.

The Bengal Nagpur Railway pointed out that the heavy speed restrictions imposed by the Great Indian Peninsular Railway's Engineering Department on their section made the Down Bombay Mail arrive 51 minutes later from the 1st October, 1939. After discussion it was decided that both the East Indian Railway and the Indian Chamber of Commerce should approach the Postal Authorities to augment the postal transport arrangements at Howrah to ensure mails brought by these trains, reaching the General Post Office earlier.

Regarding the third item the Chamber suggested the following facilities for second class passengers :—

Widening of berths and provision of "pull out" seats, Provision of air-conditioned compartments and Improvement in lighting arrangements.

The Railways pointed out that they were making arrangements for widening the berths and provision of "pull out" seats. All the future stocks which would be manufactured would be provided with these facilities. The lighting arrangements were receiving due consideration but they were considered adequate. As for the Air-conditioning of second class coaches the Railways pointed out that the scheme of Air-conditioning of Railway coaches was still in an experimental stage and air-conditioning was not adopted even in the first class compartments on the Bengal Nagpur Railway as yet.

The following subjects were forwarded for discussion at the 23rd Informal Quarterly Meeting :—

1. Difficulties about wagons remaining underload during the incidence of Labour Strikes.
2. Rates for drugs and chemicals from Calcutta to Nagpur, Ranchi and Tatanagar.
3. Shortage of wagons on railways.
4. Special facilities on railways to large consignors.
5. Rate for black pepper from Ernakulam to Shalimar.

Mr. R. L. Nopany attended the meeting on behalf of the Chamber.

Subject No. 1 had been discussed in the 22nd Informal Quarterly Meeting when an assurance was given by the Railways that the question of demurrage charges would receive sympathetic consideration whenever the wagons remained underload during the period of labour strikes, and the railways had been notified in advance or when it was a question of "lightning strikes" or strikes where only short notice was given. An extract of the proceedings was circulated to the various chambers by the E. I. Railway. Subsequently the E. I. Railway addressed a further letter, in which they stated that cases frequently occurred where firms who had strikes or warnings of strikes amongst their labourers did not give timely notice to stop or restrict consignments coming forward and this resulted in detention of a considerable number of wagons in sidings or railway yards. The Railway further stated that while the question of demurrage charge was always dealt with on merits, in future remission of demurrage would depend on the evidence that the notice of imminence of strikes was given and prompt steps taken to stop and restrict consignments from coming forward. The Committee however thought that the railways could not expect industrial concerns to give notice for stopping bookings for the factory immediately a strike seemed likely to happen, as negotiations between the parties would continue for a long time and often the strike was averted by tactful handling of the situation at the last minute. If the Railway was informed to stop bookings to the factories, the factory might have to close down due to shortage of coal or raw materials and such a dislocation in tense conditions would result in a definite strike. In the course of the discussion, the East Indian Railway however stated that the subsequent letter was based on the principle accepted at the 22nd Informal Quarterly Meeting and that they did not contemplate any departure from the position previously agreed to.

Regarding subject No. 2 the Chamber pointed out that Nagpur got all its supplies of chemicals from Bombay due to the lower railway freight on account of the smaller distance between Bombay

and Nagpur than that between Calcutta and Nagpur. The Chamber stated that if the B. N. Railway quoted special reduced rates for chemicals to Nagpur it would result in a diversion of trade to Calcutta to the benefit of both the B. N. Railway and the Calcutta Chemical Manufacturers. The Chamber also pointed out that considerable traffic in chemicals between Calcutta and Tatanagar and Ranchi was diverted to the road as the rates quoted by the Motor Transport Companies were lower than the rates quoted by the Railways. The Chamber suggested that the Railways should lower their rates in competition with road traffic. The B. N. Railway agreed to look into the matter

Regarding subject No. 3 the Chamber pointed out that during the period of October-November to April-May every year industrial concerns experienced great difficulties owing to inadequate supply of wagons for transport of coal. The Chamber suggested that the peak traffic during this period should be taken by the Railways as a regular feature and arrangements should be made to keep the collieries supplied with sufficient wagons for transport of coal. In course of discusison the East Indian Railway pointed out that there was no shortage of wagons but the capacity of the Railway was limited both as regards Engines and Line facilities and due action was already taken to borrow engines and provide additional line facilities. The Railways further assured that everything possible would be done to cope with the general demand for transport of coal.

Subject No. 4 was dropped by the Chamber and not pursued further.

Regarding subject No. 5 the Chamber pointed out that the four districts in Malabar producing black pepper sent about 2,20,000 bags of black pepper to Calcutta, out of which only 1,00,000 bags came by Rail. Aleppy, one of the most important centres sent about 1,20,000 bags of black pepper by sea because of the higher railway freight. This amounted to Rs. 3/5/- per maund from Ernakulam to Shalimar, as compared to that from the other three centres which was about Rs. 1/3/- per maund. The Chamber pointed

out that if the B. N. Ry. in consultation with the M. S. M. and S. I. Railways reduced the freight, a large amount of traffic in black pepper would follow particularly because at present it was difficult to get adequate tonnage to transport articles by sea. The B. N. Railway promised to look into the matter.

References from the Indian Railway Conference Association regarding Railway Classification of various articles.—The Committee received references from the Indian Railway Conference Association regarding the following matters :—

1. Classification of Noil Yarns.
2. Classification of Musk Xylol.
3. Classification of Boiler Composition, solid.
4. Classification of Nepheline Syenite.
5. Classification of Wax blanks.
6. Classification of springs, iron for Gramaphones etc.
7. Classification of fire-proofing solution.
8. Classification of Axes Iron.
9. Classification of mineral Colza Oil.
10. Classification of Wattle Bark.
11. Classification of Vaseline Pomade, scented.
12. Classification of Malthoid damp course.
13. Classification of Lancastrum.
14. Rate for Ultramarine blue.
15. Classification of Synthetic Resin or Trolone.
16. Classification of Aluminium, Oxide and Arvi Root.
17. Classification of Beroza, Gandaberoza and Dhoona.

The Committee consulted the various interested members and replied to the Indian Railway Conference according to the views received.

Regarding No. 8, they pointed out that Axes Iron should properly come under the main head of classification "agricultural implements and machines N.O C. worked by hand or animal packed," the rate of which was class 1. Regarding Lancastrum the Committee stated that they had no objection to its classification along with linoleum.

Regarding No. 14, classification of ultramarine blue the Committee agreed that it should be included in the new entry "Blues—Prussian Ultramarine and Chinese." The Committee had no views to offer about the other items.

ORGANISATION.

12th Annual Session of the Federation.—On the 13th February 1939 the Federation wrote to the Chamber stating that the 12th Annual Session of the Federation would be held on the 1st and 2nd of April 1939 (which was subsequently changed to 8th and 9th April 1939) and requesting the Chamber to nominate 4 delegates to the Session. The Chamber was also requested to indicate the priority in which the delegates of the Chamber would have the right to record their votes on behalf of the Chamber. The Committee nominated Messrs. G. L. Mehta, N. L. Puri, K. P. Goenka and Rajendra Singh Singhi as delegates and informed the Federation accordingly.

In another letter of the same date the Federation stated that according to the constitution of the Federation 6 members of the Committee were to retire and requesting the Chamber to nominate candidates, if any, for election to the Committee of the Federation for the year 1939-40. The Committee of the Chamber nominated Messrs. N. L. Puri and K. P. Goenka to represent the interests of 'banking' and 'jute' respectively and informed the Federation accordingly. Subsequently it was learnt that both of them had been elected.

Draft Resolutions for the 12th Session of the Federation.—By their circular letter dated the 5th December 1938 the Federation requested the Chamber to forward draft resolutions that the Committee of the Chamber desired to table for consideration at the 12th Annual Session of the Federation. The Committee replied on the 11th February 1939 forwarding resolutions on the following subjects :—

1. Indianisation of Port Trusts.
2. Indo-Burma (Trade Regulation) Order, 1937.
3. Enquiry into the position of minor industries.
4. Shipping and Haj Traffic.
5. Taking over of the private telephonic systems.
6. Drugs control.
7. Co-ordination of Labour Legislation.
8. Excise Duty on coal.
9. Rate of Exchange.

The Committee also stated that a suitable resolution on the impending Indo-British Trade Agreement might also be framed for being moved at the Annual Session. Subsequently on the 17th February 1939 the Committee forwarded further resolution on the operation of non-Indian industrial concerns in India. Most of the resolutions were included among those moved at the open session of the Federation.

Resolutions on Indo-British Trade Negotiations and Tariff Board Report.—On the 1st April 1939 the Committee addressed a letter to the Federation of Indian Chambers of Commerce and Industry requesting them to frame a suitable resolution for the 12th Annual Session congratulating the Assembly on their rejection of the Indo-British Trade Agreement, and condemning the action of the Government of India in seeking to over-ride the verdict of the Assembly and enforce the Agreement. The Federation replied on the 12th April 1939

stating that the Committee of the Federation had considered the matter but they could not see their way to include a Resolution as suggested by the Chamber on the Agenda.

On the 15th April 1939 the Committee addressed another letter to the Federation forwarding a copy of their letter dated the 4th April 1939 to the Government of India, Department of Commerce requesting the Federation to frame a suitable resolution for the Annual Session with a view to protest against the attitude of the Government towards the findings of the Tariff Board. The Federation replied on the 14th April 1939 stating that the Committee of the Federation had decided to address a letter to the Government of India on the subject rather than place a resolution for the 12th Annual Session in the matter.

Question of co-option of the retiring President of the Federation.—The Chamber received a joint letter dated the 19th May 1939 from the Karachi Indian Merchants Association and the Buyers and Shippers Chamber, Karachi, regarding co-option of members on the Executive Committee of the Federation for 1939-40. The Karachi Chambers expressed their regret that Mr. Jamshed N. Mehta, the retiring President of the Federation was passed over while members were co-opted. According to them the practice and convention of co-opting the retiring President on the new executive Committee should have been upheld as the experience of the retiring President for the previous year might be available to the new executive Committee. If the convention was however not accepted the Karachi Chambers suggested that the constitution of the Federation should be amended so that the retiring President shall be an ex-officio member of the new Executive Committee. They had invited the views of the Chamber in the matter and requested for support to their representations. The Committee thereupon addressed a letter to the Federation on the 19th June 1939 regretting that the practice of having the retiring President on the committee for the following year, which had to their knowledge, been invariably followed in the past was not observed at the time of the formation of the current year's committee.

The Committee also suggested that, if possible, Mr. Jamshed N. Mehta should be co-opted for the current year. The Federation replied on the 18th July 1939 stating that there was no convention about the co-option of the retiring President on the committee of the Federation. As regards the question of laying down the principle that the retiring President, if not re-elected on the committee, should be co-opted, it was stated that the committee of the Federation came to the decision that it was not desirable for member bodies to discuss the manner in which the right of co-option was exercised by the Federation Committee, and the discretion of the committee in the matter of co-option should not be restricted.

Nomination of a representative of the Federation of Indian Chambers on the Indian Accountancy Board.—On the 22nd May 1939 the Chamber received a circular letter from the Federation of Indian Chambers of Commerce and Industry inviting nominations for election of one representative of the Federation on the Indian Accountancy Board. The Committee replied on the 17th May 1939 stating that the Chamber had no name to suggest in the matter. The Chamber further received a circular from the Federation on the 18th May 1939 giving the names of persons nominated by member bodies in this connection and asking member bodies to forward the name of any one person among them whom they desired to elect as the Federation's representative on the Accountancy Board. The Committee replied on the 29th May 1939 voting in favour of Sirdar P. S. Sodhbans.

Central Advisory Board for Lighthouses.—The Chamber received a letter dated the 30th May 1939 from the Federation of Indian Chambers of Commerce and Industry regarding election of the representatives of the Federation on the Central Advisory Committee for Lighthouses. The Committee replied on the 6th June 1939 nominating Mr. G. L. Mehta, the President of the Chamber, Mr. M. A. Master and Rao Bahadur C. Gopala Menon for election as the representatives of the Federation on the Advisory Board. The Committee received a

further letter dated the 16th June 1939 from the Federation of Indian Chambers of Commerce and Industry forwarding the names of the candidates who were duly nominated by the member bodies for election. The Committee wrote to the Federation recording their votes in favour of Mr. G. L. Mehta, the President of the Chamber, Mr. M. A. Master and Rao Bahadur C. Gopala Menon. The Federation subsequently informed the Chamber that all these persons were duly elected.

Election of two representatives of the Federation on the Forest Utilisation Central Advisory Board.—The Chamber received a letter dated the 25th May 1939 from the Federation of Indian Chambers of Commerce and Industry stating that the Government of India had decided to constitute a permanent body called the Central Advisory Board on Forest Utilisation. It was stated that the Board would include two representatives of the Federation and the Chamber was requested to nominate two persons in this connection. The Committee replied on the 6th June 1939 suggesting the name of Mr. P. D. Himatsingka for election as one of the representatives of the Federation on the Central Advisory Board. On the 12th June 1939 the Chamber received a letter from the Federation forwarding the names of persons nominated by Member bodies for election. The Committee replied on the 19th June 1939 voting in favour of Mr. P. D. Himatsingka and Lala Shri Ram, for election as the Federation's representatives on the Board.

Nomination of Unofficial Advisers.—The Chamber received a letter dated the 24th June 1939 from the Federation of Indian Chambers forwarding a letter dated the 22nd June 1939 from the Government of India, Department of Commerce, inviting the Federation to nominate three representatives to serve as unofficial advisers to the Government during the course of the Indo-Japanese Trade Negotiations. The Chamber was requested to nominate the names of three persons for election of the three representatives. The Committee replied on the 26th June 1939 nominating Mr. D. P. Khaitan as one of the unofficial advisers. The Federation of Indian Chambers of Commerce further wrote

to the Chamber on the 4th July 1939 communicating the names of persons who were nominated by member bodies as candidates for election of the three unofficial advisers. The Committee wrote to the Federation on the 8th July 1939 casting their vote in favour of Mr. D. P. Khaitan, Diwan Bahadur C. S. Ratnasabapathy Mudaliar and Lala Shri Ram. The Federation informed the Chamber on the 13th July 1939 that the three persons were duly elected as the unofficial advisers.

Election of one representative of the Federation of Indian Chambers on the Standing Rice Committee of the Imperial Council of Agricultural Research.—The Federation of Indian Chambers of Commerce and Industry in their letter dated the 19th August, 1939, requested the Chamber to nominate a person for election of the Federation's representative on the Standing Rice Committee of the Imperial Council of Agricultural Research. The Committee replied recommending the name of Mr. Gaurishanker Adhikari for election as the Federation's representatives on the Rice Committee. The Federation however informed the Chamber on the 22nd September, 1939, that Mr. Ashutosh Bhattacharjee was duly elected by members as the Federation's representative in this connection.

Representation of the Federation of Indian Chambers at the Industries Conference.—The Federation by their circular dated the 24th November, 1939 invited the Chamber to nominate a person for election as representative of the Federation to the Industries Conference. The Committee nominated Mr. Kasturbhai Lalbhai in this connection. Mr. Kasturbhai Lalbhai however expressed his inability to attend the Conference. Mr. Manu Subedar was duly elected to represent the Federation at the Industries Conference. Owing to the inability of Mr. Manu Subedar however to attend the Conference, Mr. Hayavadanrao of the Mysore Chamber of Commerce attended the same.

Rent of Hall.—The Committee decided that a rent of Rs. 25/- per day be charged to all persons except members of the

Committee and affiliated bodies of the Chamber for using the General Hall of the Chamber.

10th Annual Meeting of the Indian National Committee of the International Chamber of Commerce.—On the 16th February 1939 the Indian National Committee wrote to the Chamber stating that the 10th Annual Meeting of the National Committee would be held on the 2nd April 1939 (which was subsequently changed to 9th April 1939) and requesting the Chamber to nominate a representative for the said Annual Meeting. The Committee replied on the 28th February 1939 nominating Mr. G. L. Mehta for the purpose.

Inclusion of representatives of affiliated bodies on Chamber's Standing Sub-Committees.—It was recorded on page 160 of last annual Report that the Committee had decided to include in the Standing Sub-Committees, representatives of affiliated bodies. As this decision of the Committee required an amendment of the Articles of the Association of the Chamber, following resolution for amending the Article 42(b) was moved at the 13th Annual General Meeting of the Chamber held on the 27th February 1939 :—

> Delete the words "to appoint any departmental committee or sub-committees of the members of the committee or the Chamber" and insert in their place "to appoint any departmental committee or sub-committees consisting of members of the Committee or the Chamber which may include representatives of affiliated bodies."

The resolution was unanimously passed. The Committee accordingly included two representatives of each affiliated body of the Chamber in the respective Standing Sub-Committees.

Amendment to Rule 19 of the Tribunal of Arbitration of the Chamber.—It was recorded on page 160 of the last Annual Report that the Committee decided to amend rule 19 of the Rules of Tribunal of Arbitration to the effect that

90 days should be allowed to the court of arbitrators instead of 30 days as at present to make their award. The Committee accordingly placed a resolution for amending the Rule No. 19 before the 13th annual meeting of the Chamber held on the 27th February 1939 which was duly passed.

Revision of panel of arbitrators.—The panel of arbitrators formed for adjudicating upon disputes referred to the Tribunal of Arbitration of the Chamber was revised and the revised panel was adopted by the Committee, on the 10th February 1939.

Livestock Improvement Association.—The Committee received a letter on the 9th March 1939 from the Livestock Improvement Association, which was formed with the object of ameliorating the condition of the farmer class and improving the breed of livestock, requesting the Chamber to nominate a representative on the Executive Committee of the Association. The Committee replied on the 28th March 1939 stating that while they appreciated the kind invitation, they felt that as several members of the Chamber were already members of the Executive Committee of the Association, it was hardly necessary to nominate additional member.

A letter dated the 17th July 1939 was received from the Livestock Improvement Association requesting the Chamber to be one of the conveners of a public meeting, they proposed to call at Albert Hall, Calcutta in connection with improvement of livestock and expansion of pasture. The Committee considered the matter and replied that they were in general agreement with the aims and objects of the Livestock Improvement Association.

Resolution of the Livestock Improvement Association.—On the 5th May 1939 the Chamber received a letter from the Livestock Improvement Association forwarding copies of resolution passed by them for improvement in the condition of Livestock in India and requesting support of the Chamber. The resolution recommended that provisions should be made for at least one crore acres of free pasture land in British India,

reduction of the price of milk and milk-made articles and cattle by 30%, free grazing to cattle on all pasture lands belonging to Government and public, and converting all fallow lands to pasture lands. The Committee replied on the 23rd May 1939 informing the Association that they were in sympathy with the objects of the Association.

Question of Chamber's opening a Licensed Measurers' Department.—The question of the Chamber opening a Licensed Measurers' Department has been under consideration since a long time. In the year 1936 Mr. G. L. Mehta had submitted a comprehensive note on the subject. During this quarter the subject again came for discussion before the Committee. A conference of the various jute interests was also held at the premises of the Chamber in this connection and there seemed to be general agreement among all interests on the subject. The matter is further receiving attention.

Shifting of the office of the Chamber to new premises.—From 1st October, 1939, the offices of the Chamber and the affiliated bodies, namely the Indian Sugar Mills Association, Indian Chemical Manufacturers Association, Indian Paper Mills Association and the Indian Insurance Companies Association were shifted to more commodious premises at Security House, 102-A, Clive Street.

MISCELLANEOUS.

Conference regarding Uniform Linseed and Groundnuts Contract.—This subject has reference on page 162 of the last annual report. The Senior Marketing Officer, Bengal, wrote to the Chamber on the 3rd March 1939 stating that it was proposed to hold a conference of all interests concerned in the Linseed and other oil seeds trade in Bengal on Saturday the 18th March 1939, for discussing the question of bringing about

uniformity in the terms of linseed oil contract for futures and ready delivery. He also forwarded copies of the proposed standard linseed oil contract as agreed to at the Third Conference held at Delhi in this connection and requested the Chamber to nominate 2 representatives for attending the conference to be held on 18th March, 1939. The Committee nominated Mr. D. Khaitan and Mr. Faizulla Gangjee to represent the Chamber at the conference. As, however, Mr. Faizulla Gangjee was unable to attend the conference Mr. D. Khaitan and the Secretary attended the same and they submitted a report to the Committee on the 20th March 1939, in which it was stated that Mr. Livingstone, the Agricultural Marketing Officer to the Government of India emphasised that the present basis of standard contract form contained the agreed formula only in respect of such matters which were considered essential for safeguarding the interest of the producer and improving the standard of produce. It was further stated in the report that all the members excepting two present at the conference were in favour of the proposed final contract and the conference hoped that voluntary agreement would be arrived at, failing which the Government of Bengal stated that they would bring the proposed contract into force by law. A week's time was given for arriving at an unanimous agreement in the matter.

As, however, no information about the enforcement of the contract was received, the Committee addressed a letter to the Hon'ble Mr. Tamizuddin Khan, Minister-in-charge of the Agricultural Department, stating that at the conference it was made clear that the Government would proceed to undertake legislation to enforce the contract form if it would not be possible to adopt standard contract form unanimous on a voluntary basis. The Committee expressed their agreement with the views of the trade expressed at the conference as regards the desirability of having a standard form and requesting the Government to proceed further with the enforcement of standard form for the Linseed trade.

Organisation of an Industrial Museum in Calcutta.—On the 6th January, 1939, the Director of Industries, Bengal, wrote to the Committee that it was decided to organise an

industrial museum as a permanent exhibition of the Industrial product of the province, of raw materials and of machineries used by factories and cottage industries. The Director of Industries also requested the Chamber to circulate outlines of the scheme of Exhibition to members of the Chamber The Committee circulated the same to all the members of the Chamber and affiliated bodies on the 23rd January, 1939, and informed the Director of Industries, Bengal accordingly.

Inclusion of Benares in the Schedule of Air Services between India and England.—At the instance of Mr. L. N. Birla the Committee addressed a letter on the 17th May, 1939, to the Imperial Airways Limited suggesting that at least two of the five air-services each week between Calcutta and Karachi should make a halt at Benares which was an important place of pilgrimage for Hindus. The Imperial Airways Ltd., replied on the 6th June, 1939, stating that while they appreciated the proposal of the Chamber, they were doubtful for operational reasons whether it was possible to adopt the same. It was stated that they were however further looking into the matter.

Information to be included in the 1941 Census.—On the 5th May, 1939, the Government of Bengal forwarded a copy of a memo from the Revenue Department as also of a letter from the Government of India to the Provincial Governments regarding the nature of the information to be collected at the next census. It was stated that the Government had not yet arrived at any definite conclusion as to the exact contents of the schedule to be filled in by enumerators and this would be decided after a conference of Superintendents of Census Operations was held in January, 1940. The Census Commissioner had however suggested that certain information hitherto included should be omitted and that certain additional information should be included or the existing information amplified in certain respects. The tabulation of caste and infirmities were proposed to be omitted the former on the ground of the considerable cost it involved and the increasing body of public opinion against such tabulation and the latter on the ground of the table of infirmities being so defective as to be

of little statistical value. It was further stated that while the need for economy was keenly felt the Government of India were not averse to including in the schedule such other information as would be of general value but which would not materially add to the cost of the census. The views of the Chamber were invited.

The Committee replied on the 17th May, 1939. As regards the proposal to omit tabulation of castes, the Committee were agreeable to the suggestion, but regarding bodily infirmities, the Committee were of opinion that the tabulation of contagious diseases like leprosy was essential in the interests of public health inasmuch as in the absence of such statistics the work of cure and prevention of the spread of diseases would be handicapped. The Committee appreciated that economy in cost was an important consideration but they did not approve of its being effected at the expense of useful information. The Committee further suggested the desirability of having statistical information regarding employment. According to them instead of the question about means of livelihood, a direct question whether employed or unemployed should be included and unemployment figures separately tabulated. In view of the importance of the question of unemployment, even approximate figures in this respect should be available.

Substitution of Cotton bags for jute bags in the U. S. A.—At the instance of Mr. B. D. Bhatter the Committee addressed a letter on the 7th March 1939 to the Government of India Trade Commissioner at New York enquiring whether there was any substance in the rumour that there was a move in the U. S. A. for increased substitution of jute bags by cotton bags. The Trade Commissioner replied on the 12th May 1939 stating that efforts were at present being made both by the administration and by the cotton industry to bring about the use of cotton bags in preference to other textile and paper bags. He further stated that there were considerable accumulations of raw cotton in the U. S. A. and the Government itself held about 11 million bales on which it had advanced to farmers and so long as the present stock position continued it was expected that continued efforts at finding new uses for cotton would be made. It was further stated that

these efforts were meeting with considerable amount of success. The price factor was a very important one but the low price of cotton was helpful in advocating the use of cotton as a substitute for other textiles. The Trade Commissioner further stated that he had discussed the subject with Burlap interests and the general feeling among them was that at present the danger to Burlap was not so much from cotton as from paper which was being used to an increasing extent for the manufacture of bags which hitherto had been made either of cotton or jute.

Statistics of retail prices of salt in India.—The Director General of Commercial Intelligence and Statistics wrote to the Chamber on the 10th June 1939 referring to the statement of retail prices of salt in India published every fortnight in the *Trade Journal* containing the names of various stations in different provinces, the grades of salt current at each station and the retail prices. He stated that it had been suggested to him that the statement did not serve any very useful purpose to the Commercial bodies and might be therefore discontinued as a matter of economy. The Committee consulted the interested members and replied on the 19th June 1939 stating that they had no objection to the proposal to discontinue publication of the statement.

Statistics relating to Exports and Re-exports of Cotton piece-goods.—At the instance of Mr. D. P. Khaitan the Committee addressed a letter on the 30th May 1939 to the Economic Adviser to the Government of India as also to the Deputy Director of Statistics, suggesting that the "Monthly Survey of Business Conditions in India" published by the Government should show the figures of cotton piece-goods of Indian manufacture exported and of imported piece-goods re-exported from India in addition to the statistics about the monthly production of piece-goods in India and imports of cotton piece-goods into British India. The Economic Adviser replied on the 20th June 1939 stating that as the land frontier trade statistics were not being simultaneously published with the sea-borne trade statistics but much later, it was not possible to include complete statistics of exports and re-exports of cotton piece-goods from India in the publication. The

Committee addressed a further letter on the 27th June 1939 to the Economic Adviser suggesting that at least the sea-borne trade statistics of exports and re-exports of cotton piece-goods should be published as it would prove very useful to the interests concerned. The Economic Adviser replied on the 11th July 1939 stating that statistics of monthly exports and re-exports of cotton piece-goods by sea would be included in the Monthly Survey of Business Conditions in India with effect from 1st June 1939. He further wrote to the Chamber on the 26th July 1939 stating that the figures of exports of cotton piece-goods from India would be included in the Survey as soon as possible but as regards the re-exports figures it was stated that these figures were negligible and the Economic Adviser did not feel inclined to include them in the Monthly Survey. The views of the Chamber were invited.

The Committee replied on the 25th August, 1939, stating that the figures of re-exports though negligible should be published in the "Monthly Survey" as the business community would not automatically know that these figures were negligible and without these figures the cotton statistics would be incomplete. The Deputy Director of Statistics replied on 29th September, 1939, stating that both exports and re-exports figures of cotton piece-goods from India would be published in the "Monthly Survey of Business Conditions."

Compulsory marking of count and weight on yarn sold and modification in the existing scale of tolerances.—It was stated on page 35 of the Report of last year that views of the Chamber were invited in the matter. The Committee considered the matter but as the Federation had already addressed the Government on the subject, the matter was recorded for the present.

Commercial examinations.—The question of the Chamber conducting commercial examinations was discussed at one of the Committee meetings. The question is being further considered.

Import duty on Australian Wheat.—On the 16th August, 1939, the Indian Produce Association forwarded a copy of their representation to the Government of India regarding working of the existing import duty on Australian wheat They pointed out that inspite of the import dutv of Rs 1/8/- per cwt. contracts for the import of Australian wheat to the tune of about 1½ lacs of tons were made. The reason for this according to them was that while the Punjab wheat was to be had for Rs. 3/2/- to Rs. 3/4/- per maund, Australian wheat was being quoted at Rs. 3/- per maund. This was due to the high railway freight from the Punjab to Calcutta The Association further pointed out that according to the wheat forecast the estimated production was 99,27,000 tons and the carry over from last year was 4 lac tons and the import of Australian wheat was 1½ lac tons. The total quantity of wheat in India would therefore amount to 1,05,00,000 tons while the consumption in India amounted to 95 to 96 lacs of tons. Thus, according to the Association, there would be a carry over of about 10 lac tons Further imports of Australian wheat would therefore, according to the Association, prove detrimental to the interest of Indian agriculturists. The Association suggested enhancement of the duty from Rs. 1/8/- per cwt. to at least Rs. 2/8/- per cwt. in view however of the altered circumstances since the letter was written, due to the outbreak of war the Committee decided to record the matter for the present.

Withdrawal of the co-operation of the Government of India from the Coal Industry Reorganisation Committee set up by the Government of Bihar.—At the instance of Mr. A. L. Ojha the Committee considered the report about the Government of India withdrawing their co-operation from the Coal Industry Reorganisation Committee set up by the Government of Bihar to inquire into the difficulties of the coal trade. The matter is receiving attention.

Shortage of wagon supply.—At the instance of Mr. A. L. Ojha, the Committee considered the question of the wagon position on railways and it was decided to observe the situation particularly

with reference to shortage of wagon supplies. The subject has been meanwhile forwarded for discussion at the 23rd Informal Quarterly Meeting.

Change of the dates of publication of the Final Jute Forecast.—It was stated in the Annual Report last year on page 168 that the Director of Agriculture, Bengal had written to the Chamber inviting their opinion on the proposal to change the dates of publication of the Final Jute Forecast to the third Tuesday of September and subsequent four days and that the Committee had agreed to the proposal. The Director of Agriculture, Bengal, further wrote to the Chamber on the 15th July, 1939, that the Government of India had approved of the proposal to change the dates of publication of the Final Jute Forecast as previously proposed.

The Committee noted the information.

Fixing minimum prices for Jute and regulation of jute production.—The Government of Bengal issued a press communique on the 11th August, 1939, declaring their intention to check the fall in the prices of jute by compulsory regulation of jute cultivation. As regards the acreage to be fixed, it was stated that the Government would be guided by the carry over of stocks from the last year and the demand of jute for the coming year. It was further stated that the Government also intended to regulate the futures markets for raw jute and Hessian but for the present they intended to fix only the minimum prices of baled jute. The Government had decided to keep the same at Rs. 36.

The Committee considered the Press Communique and addressed a letter to the Government of Bengal on the 15th August 1939 appreciating the Government's efforts to control jute prices in order to enable the agriculturist to get a fair and reasonable price. The Committee further pointed out that in their reply statement to the Questionnaire issued by the Bengal Jute Enquiry Committee, they had also expressed themselves in favour of a scientific regulation of production. According to the Committee

whatever step the Government intended to take should be however such that the consumption of jute products might not be adversely affected. Though the jute goods could not be replaced easily by other materials, the Committee stated that high prices for jute goods were bound to affect world consumption.

As regards fixing minimum price for jute the Committee were of opinion that the question was a complicated one and would involve the Government into considerable financial commitments. The Committee felt that regulation of production, establishment of regulated markets and control over the futures markets would go a long way to ensure the agriculturist a fair price for jute. The Committee further stated that as the scheme of regulation of production could not be brought into operation before 1940 the Government took some immediate action and fixed the minimum price of jute in the Futka market. The firm attitude of the Government, the Committee stated, had already resulted in some improvement but according to them mere fixation of price in the futka market would not be adequate unless the Government took simultaneous action to meet the situation which might arise as a result of the cultivator being forced to sell his crop out of sheer necessity.

Oral Evidence before the Bengal Paddy and Rice Enquiry Committee.—On the 2nd August, 1939, the Bengal Paddy and Rice Enquiry Committee wrote to the Chamber to nominate a representative to tender oral evidence before them in connection with the various points mentioned in the reply statement submitted on behalf of the Chamber to the Questionnaire issued by the Enquiry Committee.

The Committee nominated Mr. Gaurishanker Adhikari to tender oral evidence before the Enquiry Committee on behalf of the Chamber.

Indian Rubber Control Act, 1934.—The Bengal Waterproof Works wrote to the Chamber on the 15th July, 1939, drawing attention to the restrictions imposed on exports of rubber goods to Singapore by the Indian Rubber Control Act. These

restrictions, they stated, had now been extended also to rubber exports to Burma and were bound to impede the progress of the rubber manufacturing industry of the country which was still in its infancy. They further stated that the export quota allotted to a factory under the Act was equivalent to the maximum export of the factory in any one of the six years from 1928 to 1933. Under this system, the Bengal Waterproof Works stated that they had a quota of 300 lbs. Though the restriction on export of rubber goods to Burma had been imposed only in 1939, the basis of export quota was however kept the same, *i.e.*, the maximum export in any one of the six years from 1928-33. Messrs. Bengal Waterproof Works further pointed out that no such restriction was imposed on the export of rubber goods made from imported Japanese rubber cloth. They further stated that if they wanted to export more than their allotted quota they had to pay 4½ to 5 annas per lb. to purchase the export rights. The cost of rubber therefore came to about As. -/8/- to As. -/8/9 per lb. while the cost of rubber in the London market was somewhere about As. -/7/6 per lb. Owing to this higher cost for rubber, the Indian industry, according to them, could not compete with other countries in foreign markets.

The matter is receiving attention.

Import of rubber from Burma into India.—The Southern India Chamber wrote to the Chamber on the 9th August, 1939, forwarding a copy of the telegram sent by the United Planters Association of Southern India to the Government of India regarding the imports of unlicensed rubber from Burma into India. According to the United Planters Association this was contrary to the Indo-Burma Trade Regulation Order and they requested the Government of India to represent to the Government of Burma that imports of unlicensed rubber would not be permitted after expiry of the Trade Regulation Order on 31st March, 1940. The Association had also stated that they understood that the Burma planting interests had requested the Government of Burma to arrange to prohibit export of unlicensed rubber to India in order that they may obtain an addition to the Burma

quota of 3,000 tons per annum provided under Article 4 of the International Rubber Agreement. The Association had also mentioned that India was handicapped by these imports of unlicensed rubber as the Indian quota of exports was based on the International Agreement.

The Committee thereupon addressed a letter to the Government of India on the 24th August, 1939, requesting the Government to represent to the Government of Burma to prohibit exports of unlicensed rubber from Burma to India. The Government of India replied on the 4th October, 1939, stating that the representation of the Chamber was receiving their attention.

Import duty on cotton.—On the 5th August, 1939, the Committee addressed a telegram to the Government of India pointing out that there was no justification for continuing the increased import duty on cotton. The Committee drew attention of the Government to the present deplorable condition of the textile industry due to accumulation of large stocks and low prices. The Committee pointed out that the industry which had been adversely affected by the Indo-British Trade Agreement securing a large share of Indian market for Lancashire, and by the doubling of the import duty on cotton since the last budget, had been further handicapped by competition from increasing imports of Japanese piece-goods and yarn. The Committee stated that the reason according to the Finance Member for the increase in the import duty was the necessity to balance the budget. The actual Revenue Realisations for 1338-39 however had exceeded the revised estimates and the customs receipts for the current year had also gone above the budget estimates. The revenue from sugar would also be about 9 crores instead of Rs. 4½ crores as estimated. On the other hand the revenue realised from increased cotton duty had actually gone down for the first quarter and had not brought any extra revenue to Government. The Committee therefore stated that there was no justification for continuing the increased import duty and requested the Government to reduce the same to the previous level.

Rates of cash discounts on piece-goods trade.—The Chamber received a letter dated the 29th August 1939 from the Collector of Customs, Calcutta, stating that the sales in the piece-goods market in Calcutta were conducted on credit basis, and for assessment purposes under section 30(*a*), Sea Customs Act, the practice so far adopted to reduce the whole sale cash price was to allow a deduction of 20% from the credit price. The Collector desired to know the rates of cash discounts actually allowed according to the custom of the trade on different varieties of piece-goods.

The matter is receiving attention.

Uniform Contract form for trade in textile goods.—The Chamber received a letter on the 25th August, 1939, from Messrs. Anandram Gajadhar pointing out that different types of contract forms were used by the mills and dealers in the Textile Industry and merchants and dealers were put to great inconvenience on account of the same. They suggested that the Federation of Indian Chambers of Commerce and Industry should take up this matter with the various mill owners associations and try to evolve a uniform contract form.

The Committee addressed a letter on the 19th September, 1939, to the Federation of Indian Chambers pointing out the necessity for having a uniform contract form. The Federation replied on the 26th September, 1939, stating that the Marwari Chamber of Commerce, Calcutta, had already written to them in this matter and the Federation had advised them to write to the various mill owners Associations concerned on the subject.

The Chamber thereupon inquired from the Marwari Chamber on the 28th September, 1939, as to what replies they had received from the various millowners Associations. The Marwari Chamber replied on the 2nd November, 1939, stating that the mill owner's Associations had written to them stating that the matter was under consideration.

The Chamber also received a letter on the 3rd November, 1939, from the Government of Bengal, inviting views on the question

of having a uniform contract form for the piece-goods trade. The Committee replied on the 9th November, 1939, stating that the piece-goods trade of the various Provinces was inter-related and the question therefore could well be tackled from an all-India view point so that an uniform contract form may be made applicable to the trade in all the Provinces.

Samples of piece-goods for delivery to buyers.—The Marwari Chamber of Commerce in their letter dated the 3rd October, 1939, invited the attention of the Chamber to a circular issued by them about the desirability of the mills supplying sufficient samples of piece-goods for delivery to buyers before despatching them from the mill godowns. The Marwari Chamber pointed out that this practice was being followed by Lancashire millowners and the Japanese shippers. Indian mills however did not supply sufficient or satisfactory samples and the Marwari Chamber had passed some resolutions requesting the Indian millowners to provide samples of goods contracted for forward delivery after they were manufactured, but before they were delivered so that buyers may be enabled to examine them.

The Committee replied on the 17th October, 1939, advising the Marwari Chamber to take up this matter direct with the Millowners Associations at Bombay, Ahmedabad, Cawnpore and Calcutta.

Orient Gold.—At the instance of Messrs. G. D. Daga & Co the Committee addressed the Commissioner of Police on the 6th September, 1939, drawing attention to the sale of imitation gold, called Orient Gold in the city. The Committee pointed out that the sale of this article was likely to prove a source of deception and cheating the public. The Committee requested him to enquire into the matter and see if any action could be taken by the police to stop the sale of this kind of article. The Commissioner of Police replied on the 8th September, 1939, stating that the matter was receiving his attention.

Renewal of Certificate of Approval for prospecting minerals in C. P.—The Chamber received a letter on the

15th August, 1939, from Messrs. Dalchand Bahadursingh regarding the renewal of their Certificate of Approval for prospecting minerals in C. P. They stated that the Government of C. P. had refused to grant them a renewal of the Certificate on the ground that they had not made any use of this certificate in the last twenty years.

The Committee addressed a letter to the Government of C. P. and Berar on the 9th December, 1939 regarding the renewal of the certificate of approval for prospecting minerals in C. P. granted to Messrs. Dalchand Bahadur Singh The Committee pointed out that the Government's decision not to renew the certificate of approval on the ground that the firm had not made any use of the certificate for the last twenty years did not appear to be true as several mining operations and prospecting works were carried out by them in the course of these twenty years. The Committee further stated that the Geologists of the firm were on the look-out of several minerals and at any time the firm might be advised to begin operations. The Committee pointed out that in the absence of such a certificate the mining operations might be unduly delayed. They requested the Government to reconsider their decision in the matter. The Government of C. P. however replied on the 11th January, 1940 regretting their inability to do anything in the matter.

Discontinuance of publication of the Linseed Circular.—The Imperial Council of Agricultural Research wrote to the Chamber on the 12th October, 1939 drawing attention to the fact that particulars regarding Linseed market in India and London as set forth in the weekly Linseed Circulars issued by the Imperial Council of Agricultural Research became available to the public in the *Indian Trade Journal* and weekly market reports published by the Agricultural Marketing Adviser to the Government of India earlier than the Linseed Circulars issued by the Imperial Council and it was therefore felt that the publication of these circulars was not necessary. The Imperial Council had therefore decided to discontinue publication of the same. The Committee considered the matter and decided that interested members and

bodies be consulted in the matter. It appeared that none of them had however any objection to the discontinuance of publication of the circulars.

Annual Revision of the list of cotton piece-goods.—The Director-General of Commercial Intelligence and Statistics wrote to the Chamber on the 27th September, 1939 inviting attention to the list of cotton piece-goods published by the Government of India in their resolution dated the 19th October, 1922 as recognised by the usage of trade to be liable to assessment to import duty as piece-goods under the Indian Tariff Act. The Chamber's views regarding any alterations in the list were invited. The Committee had however no suggestions to offer in the matter.

Annual Revision of the list of articles specified in the Sea-borne Trade Returns of British India.—The Director-General of Commercial Intelligence and Statistics wrote to the Chamber on the 18th October, 1939 stating that the annual revision of the list of articles specified in the Sea-borne Trade Returns of British India was under consideration. The Chamber's suggestions regarding any alterations in the list were invited. The Committee considered the list but had no suggestions to offer in the matter.

Inequitable settlement prices fixed by the Incorporated Oil Seed Association for forward contracts in groundnuts.—At the instance of Messrs. Birla Brothers, the Committee addressed telegrams to the Board of Trade in the United Kingdom and to the Incorporated Oil Seed Association as also to the Indian Trade Commissioner on the 23rd and 25th November, 1939 regarding inequitable settlement prices fixed by the Association for forward contracts in groundnuts. The Committee pointed out that such a procedure would cause huge losses to buyers who had hedged in India for their purchases in London. The Incorporated Oil Seed Association replied on the 27th November, 1939 stating that the resolution in connection with fixation of these prices was passed in the General Meeting of the Association held eight days before the telegram from the Chamber was received.

The Minister of Food replied on the 11th December, 1939 expressing his inability to intervene in the matter. The Committee further addressed a letter to the Trade Commissioner for India on the 27th December, 1939 drawing attention to the telegram sent to him on the 25th November, 1939 and requesting him to enquire into the matter and impress upon the Oil Seed Association the inequitable nature of the proposal. The Committee pointed out that though the prices of other commodities like jute, cotton etc had also risen, the Indian merchants had made no efforts to introduce such artificial settlement prices.

The matter is receiving attention.

Presentation of Address of Welcome to His Excellency Sir John Herbert, Governor of Bengal.— On the 12th December, 1939 the Chamber presented an Address of Welcome to His Excellency Sir John Herbert, Governor of Bengal. The Chamber drew attention to the economically backward condition of the great mass of the people in this Province and stated that there was a great scope for constructive work in ameliorating the condition of the vast agricultural and rural population. Apart from the improvement in the methods of agriculture and the provision of facilities of cheap credit and marketing, the main task, the Chamber pointed out, before those who had got the destiny of the province in their hands was to help in the progress and the development of industries both large scale and small scale. The Chamber stated that Bengal was one of the most thickly populated parts of India and it was essential that the dependence of the population on land should be reduced

His Excellency in his reply agreed that in a province such as Bengal an increase in the prosperity of the people could only be looked for in two main directions : the improvement of the economics of agriculture and the development of industries. The development of Industries, His Excellency continued, was a complex question and the Bengal Government had decided in 1938 that it should be examined by a Committee comprised of men eminent in commercial and business circles. The Committee had

so far produced *interim* reports, and the Government, His Excellency stated, would give the earliest and most careful consideration to the Committee's recommendations as a whole when they were received. In the meantime the policy of encouraging local industries, especially in rural areas, by demonstration and by providing facilities for training, was being pursued steadily and had already produced most encouraging results.

Amplification of Inland Trade Statistics.—The Government of Bengal wrote to the Chamber on the 17th August, 1939, forwarding a copy of a letter from the Government of India along with a copy of the Report of the Committee appointed by the Government to examine the question of the amplification of Inland Trade Statistics, and invited the views of the Chamber in the matter. The Government of India had stated that there was a demand for amplification of the Inland Trade Statistics and they had therefore appointed a Committee to enquire into the question. This Committee had recommended that the number of commodities included in the Rail and River Borne Trade accounts should be increased from 52 to 159, and that the territorial blocks for which the statistics were recorded should not be merely Provinces and ports but also smaller areas within each province. According to the Committee appointed by the Government, the total number of blocks should be increased from 22 to 63. The additional cost estimated for this work amounted to about 4 lacs of rupees and they had come to the conclusion that the same should be borne by the Government of India. If the Central Government was however, unable to meet the whole cost, the Provincial Governments should be asked to meet half of the additional cost on the population basis. The subject was also discussed at the 10th Industries Conference in January, 1939. It was pointed out on behalf of the Government of Bengal that instead of the 6 different blocks into which Bengal had been subdivided the number should be increased to 18 or 20 if the results obtained were to have any value. The discussion at the Conference showed that an extension of the collection of these statistics would be welcomed by all the Provinces provided the Central Government bore the cost of additional collection of statistics. Some Provincial Governments were

in favour of proceeding with the proposals on the basis recommended by the Committee even if the Central Government did not meet the cost.

The Central Government had written to the Provincial Governments that they were not able to regard the scheme as having sufficient urgency to justify their undertaking any additional expenditure but their view was that when the proper time came the total expenditure should be shared equally between the Central and the Provincial Governments.

The Committee replied on the 26th September, 1939, pointing out the necessity of the Government early undertaking the work of the amplification of Inland Trade Statistics and in view of the importance of the matter the Committee suggested that the Provincial Governments should not object to contributing their share to the cost when the scheme was adopted.

Mahatma Gandhi's Fast at Rajkot.—On learning that Mahatma Gandhi had undertaken fast in connection with the breach of promise by the Ruler of Rajkot to his subjects, the Committee addressed a telegram to the Private Secretary to His Excellency the Viceroy expressing concern at the turn of events in Rajkot and stating that in view of the grave consequences to the country of this step because of Gandhiji's age and present state of health His Excellency should interfere without any further delay, so as to bring about peaceful conclusion of the question and enable Gandhiji to terminate his fast.

Consequently it was learnt that on the intervention of His Excellency the Viceroy, Gandhiji gave up his fast.

Condolence on the death of the Late Lord Brabourne, The Governor of Bengal.—On learning of the sad demise of Lord Brabourne on the 23rd February 1939 the Committee sent a telegram to the Private Secretary to His Excellency the Governor of Bengal expressing their deep regret at the sad demise of His Excellency Lord Brabourne. The Committee stated that Lord and Lady Brabourne had endeared

themselves to all sections of the people of this Province by their kind-heartedness, amiable disposition, and charming manners and his death would be a great loss to Bengal. The Committee offered their heart-felt condolences to the Lady Brabourne. The Committee also sent a floral wreath for His Excellency.

Message of condolence on the death of the late Sir Abdulkerim Ghuznavi.—On learning of the sad demise of Sir Abdulkerim Ghuznavi, the Committee sent a letter to his brother Sir Abdul Halim Ghuznavi, expressing their deep regret at the sad demise of Sir Abdulkerim Ghuznavi, and offering their condolences to Sir Abdul Halim and other members of the family in their sad bereavement.

Tribunal of Arbitration.—Since its appointment in 1927 the Tribunal of Arbitration have disposed of a large number of cases. The Tribunal was appointed by the Chamber for the determination, settlement and adjustment of disputes and differences between parties who refer to it matters in dispute for arbitration. With a view to cover the varying nature of disputes arising in different trades and in order that the work may be placed in the hands of gentlemen selected for their expert knowledge of the branch of trade and industry with which the dispute is concerned, separate panels have been appointed for each of the following trades on the Tribunal of Arbitration *viz.*, (1) Jute (2) Gunny (3) Piece-goods and yarn (4) Iron and Steel (5) Coal and Minerals and (6) General. The Secretary of the Chamber acts as the Registrar of the Tribunal of Arbitration. The arbitrations are conducted at a small charge for the facility of the commercial community, no distinction being made in the charges in respect of arbitrations between the Chamber members, or a member and non-member. It is gratifying to note that an increasing number of members and non-members are taking advantage of the Chamber's Tribunal of Arbitration.

Survey Certificates.—The Chamber also undertakes the survey of merchandise, and issues certificates of analysis of the same, for facility of merchants. A number of members of the Chamber are regularly taking advantage of this facility.

Certificates of Origin.—The Chamber also issues Certificates of Origin in regard to all commodities produced in British India and which are being exported to foreign countries. Several merchants and firms are regularly taking advantage of this facility. The Certificates of Origin issued by the Chamber are accepted by practically all the Countries of the World. The charge for a certificate of Origin for a member is Rs. 2 while that for non-members is Rs. 4.

Collaboration of other bodies with this Chamber.—The Chamber continued to receive a great deal of assistance from the following Associations which are either affiliated to it or are its members :—

1. Indian Sugar Mills Association.
2. Indian Chemical Manufacturers Association.
3. Indian Paper Mills Association.
4. Jute Balers' Association.
5. Indian Produce Association.
6. East Indian Jute Association.
7. Calcutta Rice Merchants' Association.
8. Calcutta Kirana Association.
9. Gunny Trades Association.
10. Indian Tea Merchants' Association.
11. Marwari Rice Mills Association.
12. Indian Colliery Owners Association.
13. Sindhi Merchants' Association.
14. Indian Insurance Companies Association.
15. Shareholders' Association.
16. Indian Coal Merchants Association.

Other Commercial Associations of Calcutta, *e.g.*, Bengal National Chamber of Commerce, Marwari Association, Muslim

Chamber of Commerce, etc., have also assisted the Chamber in several ways in its deliberations on matters of interest to the commercial community and the thanks of the Committee are due to them.

Supply of Complimentary Literature.—The Committee have pleasure in acknowledging with thanks the various publications and statistical reports supplied to them by the various Departments of the Government of India, the Government of Bengal, including the Publicity Officer, H. M.'s Trade Commissioner and the Director-General of Commercial Intelligence and Statistics. The Committee are also under a similar obligation for courtesy extended to the Chamber by the Consuls of America, France, Germany, Denmark, Belgium, China, Japan, Italy, Sweden, Turkey and Czechoslovakia, who forwarded to the Chamber interesting literature bearing on the commercial, economic and industrial problems of their respective countries.

Membership.—The membership of the Chamber stood on the 31st December 1939 at 209. The members elected during the current year help to augment the representative character of the Chamber representing as they do, diverse interests of trade and industry like Pharmaceutical works, Sugar, cement and paper trade, insurance, cinema, tea, tanneries cotton mills, founder engineers, etc.

Finance.—A statement of the Revenue and Expenditure of the Chamber for the year ending 31st December, 1939 together with the Balance Sheet as on 31st December, 1939 are appended to the Report. The mainstay of the finances of the Chamber, it need hard be stated, is the subscription received from the members. The receipt under this head amounted to Rs. 15,675 only during the year under review. Steps are being taken to collect the outstanding subscription from members. During the year, all members of the Chamber who were appointed as representatives of the Chamber on various public bodies, returned to the Chamber the fees derived by them from attending meetings of their respective bodies as contributions towards the funds of the Chamber.

These contributions amounted to Rs. 2,133-0-0 Rs. 1,210-0-0 having been received from Mr. D. P. Khaitan, Rs. 580-0-0 from Mr. Faizulla Gangjee, Rs. 159-11-0 from Mr. J. Chakravarty, Rs. 95-13-0 from Mr. M. L. Shah, Rs. 64-0-0 from K. L. Jatia and Rs. 24-0-0 from Mr. R. L. Nopany.

The Committee welcome this opportunity of expressing their thankfulness to the various members for their munificence.

Sd. S. R. DHADDA,
Secretary.

Sd. G. L. MEHTA,
President.

STATEMENT OF ACCOUNTS.

INDIAN CHAMBER

BALANCE SHEET as at

LIABILITIES.	Rs. As P.	Rs. As. P.
General Fund Account:		
Balance as per account .. .	26,468 12 6	
Less Excess of Expenditure over Income .	4,179 2 6	22,289 10 0
Contributions:		
For Portraits of Presidents as per a/c ...		321 12 0
„ Party Fund as per a/c ...	..	1,067 14 0
„ Relief Fund as per last Balance sheet	...	1,050 0 0
Provident Fund Account .	...	6 891 11 3
Advance Account	...	250 0 0
Outstanding Liabilities:		
General Department	2,025 0 0	
Tribunal of Arbitration . ..	362 12 0	2,387 12 0
TOTAL Rs. ...	...	34,258 11 3

Auditor's Report

We beg to report that we have audited the Balance Sheet of the Indian Chamber of Commerce, Calcutta, dated 31st December, 1939, as above set forth with the books and accounts submitted and have obtained the information and explanations we have required.

In our opinion, such Balance Sheet is drawn up in conformity with the law and exhibits a true and correct view of the state of Chamber's affairs according to the best of our information and explanations given to us and as shown by the books and accounts of the Chamber. In our opinion the Books of Accounts have been kept by the Chamber as required by law.

For S. B. DANDEKAR & CO,
S. B. DANDEKAR, B.Com., G.D.A., R.A. } *Hony.*
Registered Accountant, } *Auditors.*
Government Diplomaed Accountant.

18 Parsee Church Street, Calcutta.

OF COMMERCE, CALCUTTA.

31st December, 1939.

ASSETS.	Rs.	As.	P.	Rs.	As.	P.
Furniture:						
Balance as per last account	6,933	6	0			
Additions during the year	2,865	0	0			
	9,798	6	0			
Less Sold during the year	391	0	0			
	9,407	6	0			
Less Depreciation @ 5%	377	9	6			
	9,029	12	6			
Less Depreciation on sold furniture ...	2,609	0	0			
				6,420	12	6
Library:						
Balance as per last account	2,676	8	0			
Additions during the year	173	1	0			
	2,849	9	0			
Less Depreciation @ 5%	142	7	6			
				2,707	1	6
Deposits:						
With Calcutta Electric Supply Corporation, Ld.	65	0	0			
Imperial Library	20	0	0			
				85	0	0
Provident Fund Investment a/c ...	...			6,891	11	3
Cash and Bank Balances:						
Bank of India, Ld.	13,460	15	6			
Central Bank of India, Ld. ...	3,648	14	9			
	17,109	14	3			
Cash in hand including Petty Cash ..	1,044	3	9			
				18,154	2	0
TOTAL RS. ...	...			34,258	11	3

S. R. DHADDA,
Secretary.

G. L. MEHTA,
President.

INDIAN CHAMBER

REVENUE ACCOUNT for the

EXPENDITURE.	Rs.	As.	P.	Rs.	As.	P.
To Establishment Charges ...				21,252	1	0
Rent				5,300	0	0
Stationery				1,844	14	3
Printing Charges (General) ...				1 997	5	3
,, ,, (Arbitration) ...				4	0	0
Telephone Charges	...			921	0	0
Postage and Telegrams				1,140	0	6
Charges General				318	8	9
Subscription to Federation of Indian Chambers of Commerce and Industry				150	0	0
Subscription to International Chamber of Commerce, Indian National Committee	...			33	0	0
Travelling Expenses	.			227	3	9
Electric Charges	.			231	6	0
Subscription to Journals and Newspapers				441	12	6
Postage and Telegrams (Arbitration) ...	..			9	9	6
Chamber's Share of contribution to Provident Fund	...			1,078	9	0
Publicity				20	0	0
Bank Charges	..			5	1	0
Depreciation:—						
On Furniture	377	9	6			
,, sold furniture	2,609	0	0			
,, Library	142	7	6			
				3,129	1	0
TOTAL RS. ...	...			38,103	8	6

S. R. DHADDA,
Secretary.

G. L. MEHTA,
President.

OF COMMERCE, CALCUTTA.

year ended 31st December, 1939.

INCOME.	Rs. As. P.	Rs.	As.	P.
By Subscriptions from Members ...	.	15,675	0	0
Affiliation Fees		14,300	0	0
Contributions	...	2,133	8	0
Arbitration Fees	.	192	0	0
Fees for issuing Certificates ...	...	1,565	0	0
Interest	...	58	14	0
Excess of Expenditure over Income Transferred to General Fund ...	..	4,179	2	6
TOTAL Rs. ...	...	38,103	8	6

Examined and Found Correct

For S. B. DANDEKAR & CO,
S. B. DANDEKAR, B.Com., G.D.A., R.A.,
Registered Accountant,
Government Diplomaed Accountant,
} *Hony. Auditors.*

Calcutta 20th February, 1940.

INDIAN CHAMBER

Special Fund

	Rs. As P.	Rs. As. P.
To Amount spent during the year ...		5,043 13 9
Balance transferred to General Fund Account		14,812 7 9
TOTAL Rs. ...		19,856 5 6

Contribution to

	Rs As. P.	Rs As P.
To Amount spent during the year ...		739 4 9
Balance carried to Balance Sheet ..		1,067 14 0
TOTAL Rs. ...		1,807 2 9

Contribution for Portraits

	Rs. As. P.	Rs As. P.
To Amount spent during the year ...		68 4 0
Balance carried to Balance Sheet ...		321 12 0
TOTAL Rs. ...	...	390 0 0

General Fund

	Rs. As. P.	Rs As. P.
To Balance carried to Balance Sheet ...		26,468 12 6
TOTAL Rs. ...	..	26,468 12 6

OF COMMERCE, CALCUTTA.

Account.

	Rs. As P.	Rs. As. P.
By Donations received during the year ...		18,615 0 0
Balance of Contribution to Furniture Account as per last Balance Sheet transferred to this account ...		1,241 5 6
TOTAL Rs. ...	.	19,856 5 6

Party Fund Account.

	Rs As P	Rs. As P.
By Balance brought forward as per last Balance Sheet		487 7 9
Contributions received during the year	.	1,319 11 0
TOTAL Rs. ...	...	1,807 2 9

of Presidents Account.

	Rs As. P.	Rs. As. P.
By Balance brought forward as per last Balance Sheet	...	390 0 0
TOTAL Rs. ...	...	390 0 0

Account.

	Rs. As. P.	Rs. As. P.
By Balance as per last Balance Sheet ...	..	11,656 4 9
Balance of Special Fund	.	14,812 7 9
TOTAL Rs. ...	.	26,468 12 6

CORRESPONDENCE.

REPRESENTATION ON PUBLIC BODIES.

BOARD OF SCIENTIFIC RESEARCH FOR BENGAL

Copy of letter No. 26485(6) dated the 6th January, 1939, from the Director of Industries, Bengal, to the Chamber.

I am directed to state that the Government of Bengal in the Agriculture and Industries Department have sanctioned the establishment of a Board of Scientific Research for the Industries Department as an experimental measure for a period of 2 years for the present. The main functions of the Board which is purely an advisory one, will be:—

(*i*) to advise the Industries Department in matters relating to Industrial Research, to co-ordinate existing research work and to indicate new lines of research;

(*ii*) to decide where particular lines of research can best be carried out and endeavour to secure the active co-operation of the universities, technical institutions and the Industries concerned,

(*iii*) to examine all proposals for research whether in Government institutions or outside and advise the Industries Department as to their merits; and

(*iv*) to review regularly reports of all industrial research undertaken by Government in its own institutions or with financial help from Government in other institutions and advise the Industries Department as to the continuance of such work and approve the technical programme of work for such schemes as may be recommended for continuance.

3. The Board will be constituted as follows:—

(1) Director of Industries, Bengal, *Ex-officio* President.
(2) One representative of the research activities of the Calcutta University
(3) One representative of the research activities of the Dacca University.
(4) One representative of the Bengal Chamber of Commerce
(5) One representative of the Muslim Chamber of Commerce
(6) One representative of the Bengal National Chamber of Commerce
(7) One representative of the Indian Chamber of Commerce.
(8) Industrial Engineer, Bengal *ex-officio*
(9) Secretary, Industrial Survey Committee, Bengal.
(10) Industrial Chemist, Bengal *ex-officio* Secretary.

If necessary one or two experts from the Industries which research undertaken relates to, may be co-opted.

4. It is hoped you will agree that there was a very definite need for the appointment of a Board for the purpose mentioned in para. 3 above and that the constitution as proposed in the foregoing paragraph is fairly representative The successful working of the Board will depend very largely on the co-operation, advice and assistance of your nominee and therefore I would request you to be so good as to nominate a gentleman of practical experience for serving on the Board. As the Board will commence functioning immediately I shall be grateful if you will kindly take very early action on the matter and let me have your reply as early as possible.

Letter No 58, dated the 16th January, 1939, from the Chamber to the Director of Industries, Bengal

I am directed to invite reference to your letter No. 26485(6)-G. dated the 6th January 1939 The Committee are glad to note that the Government of Bengal have sanctioned the establishment of a Board of Scientific Research for the Industries Department as an experimental measure for a period of two years The Committee nominate Mr. A. L. Ojha (Messrs. Amritlal Ojha & Co , Ltd , 8, Clive Street, Calcutta) to serve on the Board as a representative of this Chamber.

CUSTOMS.

Protection to Minor Industries.

Letter No 112, dated the 24th January, 1939, from the Chamber to the Government of India, Department of Commerce.

I am directed by the Committee of the Indian Chamber of Commerce, Calcutta, to invite reference to the correspondence resting with your letter No. O-835-T/38 dated the 12th April, 1938 regarding protection to minor industries affected by Japanese competition. The Committee regret to note that although a long time has passed since then no steps have been taken by the Government on the request of the Chamber to complete the Enquiry undertaken by the Government. The Committee have since received further representations from members regarding various minor industries adversely affected by Japanese competition. For example, the Committee have recently been given to understand that the School-slate manufacturing industry has had to face a keen competition from Japan, as a result of which a number of factories have had to close down The Committee would point out that the mineral materials for this industry are obtainable in large quantities in the country especially in Bihar and Madras Wood for the framing is also abundant in Bengal and other parts of the country. The materials being of excellent quality, the finished products can be produced in India at very reasonable prices The price per case of indigenous school-slates containing 6 dozens of assorted sizes was Rs. 10/8/- about the year 1929 German and other foreign school-slates were sold at that time at about Rs. 12/- to Rs. 13/- per case. About the year 1931, Japan entered the industry and began to sell her goods at about Rs. 10/-. This price was gradually reduced and brought as low as Rs 5/8/- in 1937 and as a result of this unfair competition about five factories manufacturing School-slates closed down only in Calcutta and several more in other parts of India had also to close down At certain places in the country like Madras and Bihar, the industry is being carried on as a cottage industry and though these small manufacturers have been hard hit by Japanese competition, they have pulled on with practically no margin of profits as whole families are engaged in the Industry. The Committee understand that when the Indian factories closed down, Japan again raised the price to Rs. 7/- which is prevailing at present. The average cost price to Indian manufacturers is about Rs. 7/- per case and although there is an import duty of 30% on Japanese slates, the same being classified under stationery, Indian Manufacturers have found it extremely difficult to face the competition from Japan which may again undercut the rates if the Indian factories enter the field,

One of the reasons adduced by the Government at the time of the suspension of the enquiry was that the prices of Japanese goods had registered a sufficient rise to eliminate unfair competition. The Committee would, however, point out that in a number of cases, as in the above, Japan had raised the price only after the Indian manufacturer in the field had been wiped out or reduced to a negligible factor. The Committee would therefore re-iterate that the argument about rise in prices is not tenable. In any case, even if on that account no tariff adjustment, according to the Government could have been made, the Enquiry should have been concluded and its conclusions kept ready for action whenever necessary. The other reason then advanced by the Government was about unsettled conditions in the Far East. As the Government are aware the Sino-Japanese conflict is now expected to be a prolonged affair from all accounts and no immediate end of the same is within sight. The Committee would, therefore, again emphasize that the Government of India should proceed with and conclude the enquiry into the position of minor industries already undertaken and take action upon its findings whenever necessary.

The Committee are constrained to observe here that the perfunctory manner in which the Government of India have dealt with this important question has been somewhat surprising. The attention of the Government of India had been drawn to this question as far back as 1933 at the time of the Indo-Japanese Trade Conventions and also during the Negotiations in 1936, but the Government did not agree to bring this question within the purview of the Trade Agreement with the result that this question was altogether excluded from the Indo-Japanese Commercial Convention and Protocol Further though the Government undertook the departmental enquiry in 1937, as promised, the investigation was inordinately delayed and ultimately abandoned in the middle while Japan was taking advantage of the period of intermission and increasing the exports of miscellaneous articles with a view to get over any eventual action which would have been taken after the completion of the enquiry. Apart from the waste of money and time involved in suspending this enquiry, the Committee believe that an excellent opportunity of assisting the struggling small industries was also lost at the time of the conclusion of the last Indo-Japanese Commercial Convention and Protocol The Committee understand that the Government of India will soon be considering the question of opening the negotiations for a fresh Indo-Japanese Trade Convention as the present one expires in April 1940, and they would, therefore, urge that the Government should definitely avail of this opportunity to assist the struggling minor industries which have an important bearing in the economy of this country. It is therefore all the more neces-

sary that the enquiry already undertaken should be immediately proceeded with and concluded so that the results of the same be made available at the time of the next Indo-Japanese Trade Negotiations. In view of the importance of the matter, the Committee trust that the Government will give immediate attention to this subject.

Copy of letter No 312-T(3)/39, dated the 16th March, 1939, from the Government of India, Department of Commerce to the Chamber.

SUBJECT :—Protection to minor industries against Japanese competition.

I am directed to refer to your letter No. 112, dated the 24th January, 1939, on the above subject and to say that its contents have been noted by the Government of India.

Letter No. 649, dated the 28th/29th March, 1939, from the Chamber to all Provincial Governments.

I am directed by the Committee of the Indian Chamber of Commerce, Calcutta to address you on the subject of the position of minor industries *vis-a-vis* foreign competition particularly from Japan.

As your Government are no doubt aware, there are many minor and small scale industries established in different parts of the country which have had to face serious competition from imported articles particularly from the Japanese manufactures. The attention of the Government of India was drawn to this question as far back as 1933 at the time of the Indo-Japanese trade negotiations and also during the subsequent negotiations in 1936 The Government did not agree to bring this question within the purview of the Indo-Japanese trade talks but started departmental enquiry in 1937 This enquiry was, however, abandoned in the middle thus involving not only waste of money and time but also loss of an opportunity to assist the struggling small industries I am directed to enclose herewith copies of correspondence which has passed between this Chamber and the Government of India for your ready reference.

As the negotiations for a fresh Indo-Japanese trade convention to replace the present one which expires in April 1940 are to begin now, the Committee consider this to be an opportune time to approach the Government of India to re-start the enquiry and complete it so that the results of the same may be made available at the time of the forthcoming negotiations. In view of the importance of the matter, the Committee trust that your Government will also be pleased to convey to the Government of India their emphatic support to the above suggestion.

The Committe shall be obliged to have a reply at an early date.

INDO-AFGHAN TRADE NEGOTIATIONS.

Letter No. 40, dated the 12th January, 1939, from the Chamber to the Government of India, Department of Commerce.

The Committee of this Chamber are given to understand that the Government of India propose to enter into Trade Negotiations with the Afghan Government. They would invite your attention in this connection to the correspondence they had with the Government last year and particularly to their letter No 570 dated the 15th March 1938. The Committee understand that there has not been much improvement in the situation since then so far as the treatment of Indian Nationals in Afghanistan is concerned and they are strongly of opinion that any trade agreement that may be concluded with Afghanistan must be strictly on a reciprocal basis and should secure for the Indian residents in Afghanistan the same rights and privileges as enjoyed by Afghan Nationals in India. The Committee would reiterate that Afghan Nationals are subjected to no restrictions in India and freely carry on their business and profession throughout the country The Indian inhabitants in Afghanistan, however, on the other hand have to undergo various restrictions that the Government of Afghanistan have imposed on foreigners. The Committee believe that the fact that these restrictions are applicable in Afghanistan to all foreigners should not be construed as a reason for Indian residents also being subjected to the same. The Government of India are, among other things, allowing large customs concessions to the Government of Afghanistan and have not imposed any such restrictions on Afghan Nationals who are freely carrying on trade in this country. The Committee would, therefore, emphasize that any trade agreement which may be concluded with Afghanistan should be based on strict *quid pro quo* basis and should secure for Indian residents freedom from the irksome restrictions now imposed by the Afghan Government.

The Committee would also like to invite the attention of the Government to the assurance given in the Council of State some time back by the Hon'ble Mr. Dow to the effect that the Government would take steps to inform themselves of the views of the commercial interests concerned on this subject. The Committee are not aware of any steps the Government of India may have taken to ascertain the Indian commercial opinion in the matter. The Committee cannot too much emphasize the necessity of consulting Indian Commercial interests vitally concerned in any trade agreement with Afghanistan and they trust the Government will take early steps to invite such opinion. The Committee believe that non-official Indian commercial interests should be associated with the Government Delegation as in the case of the Indo-British Trade Negotiations while the negotiations are being con-

ducted They would be glad to be enlightened as to the steps, if any, the Government of India propose to take in the matter and as to the stage at which the negotiations have reached at present.

An early reply will oblige

Copy of letter No. 35-C(41)/37, dated the 16th February, 1939 from the Government of India, Department of Commerce to the Chamber.

Re: Trade Negotiations with Afghan Government.

I am directed to acknowledge the receipt of your letter No. 40, dated the 12th January 1939, and to say that the Government of India have taken note of the views stated therein.

Letter No 2219, dated the 18th October, 1939, from the Chamber to the Government of India, Commerce Department.

The attention of the Committee of this Chamber has been drawn to the reports about the resumption of trade negotiations between the Government of India and Afghanistan. The Committee would like to point out in this connection that there is a large scope and extensive market for Indian goods in Afghanistan and they trust that the Government of India would conclude a comprehensive trade agreement with that country so that this neighbouring market is ensured for Indian manufacturers The Trade Agent of the Government of India at Kabul had also pointed out in his First Report that Indian trade with Afghanistan could be developed extensively in respect of various articles. The Committee would point out that in August last, it was reported that the old agreements between Germany and Afghanistan were renewed and modified and it was expected that German trade with Afghanistan was likely to enjoy considerable expansion. Construction programme for communications of the Afghanistan Government would, it was believed, be supplied by German manufacturers Owing to the war, however, the situation has changed and the Committee request the Government of India to take this opportunity and conclude an Agreement with Afghanistan which would ensure this neighbouring market to Indian industries India is in a position to export large number of articles such as textiles, sugar, iron and steel, Tea, leather and cement and the Committee believe that the conclusion of a Pact would be a great help to the Indian industries.

The Committee would mention here that the Trade Agreement between India and Afghanistan should also decide the question of the status of Indian businessmen in Afghanistan. Large number of irksome restrictions on the entry and movement of Indian businessmen are imposed by the Afghanistan Government and the Indian trade with

Afghanistan has considerably suffered on account of these restrictions. The Committee feel that the Government of India should represent to the Afghan Government that no such restrictions are imposed on Afghan nationals in this country and Indians should be given the same treatment in that country as their nationals are given here.

The Committee trust that in view of the importance of the matter, the Government of India would give careful consideration to the suggestions made above.

Copy of letter No. 48-C(12)/39, dated the 25th November 1939, from the Government of India, Department of Commerce to the Chamber.

With reference to your letter dated the 18th October 1939, I am directed to say that no proposal has been made by the Government of India to the Afghan Government for the resumption of negotiations for an Indo-Afghan trade agreement.

Letter No. 2631, dated the 28th December, 1939, from the Chamber to the Government of India, Department of Commerce.

I am directed to invite reference to the correspondence resting with your letter No. 48-C(12)/39 dated the 25th November, 1939 regarding Indo-Afghan Trade Negotiations. The Committee regret to note that no proposals have been made by the Government of India to the Afghan Government for the resumption of negotiations for an Indo-Afghan Trade Agreement. The Committee would again point out that there is a large scope and an extensive market for Indian goods in Afghanistan and if a comprehensive trade agreement with that country is concluded at an early date, a number of Indian articles will be assured of a large share of this neighbouring market The Committee would also refer here to the remarks of the Trade Agent of the Government of India in Kabul in the first report submitted by him that Indian trade with Afghanistan could be developed extensively in respect of various articles. The Committee feel that the present would be a very opportune time to resume the negotiations as a number of foreign countries which had been exporting manufactured articles to Afghanistan have ceased to do so on account of the outbreak of the hostilities between various countries. The Committee are aware, that India herself would be requiring manufactured articles for her own needs as the imports of the same from foreign countries are restricted. They, however, believe that Indian industries would soon be in a position to supply the needs of the country in important manufactured articles of necessity and an exportable surplus would be available for exports to Afghanistan and the neighbouring markets. The Committee need

hardly point out that the Indian Textile Industry for example, was exporting some time back considerable quantities even to Iran and certain South African markets but this trade had been lost due to uneconomic competition from foreign countries There is also a large scope for trade with Afghanistan in green tea China exported to Afghanistan about half a million pounds of green tea in 1937-38 but the same was reduced in the subsequent year only to three lac pounds. Out of this, India has gained only an addition of 13,000 pounds to her exports of Green tea to Afghanistan, while Japan has increased the same by about two lacs. The Committee feel the present opportunity should therefore be taken by the Government of India in order not only to ensure this neighbouring market but also to regain some of these lost markets which India commanded. The Committee are, of opinion, that the Government of India should therefore early resume negotiations for a trade agreement with Afghanistan including the question of status of Indian businessmen in that country.

NEGOTIATIONS FOR A GENERAL TREATY OF COMMERCE AND NAVIGATION BETWEEN INDIA AND THE UNITED STATES OF AMERICA.

Letter No 472, dated the 8th March 1939, from the Chamber to the Government of India, Department of Commerce.

I am directed by the Committee of the Indian Chamber of Commerce, Calcutta to address you on the question of a trade treaty between India and the United States of America. The question has been discussed lately in detail in the press as also raised in the Legislative Assembly when Mr. H. Dow stated on behalf of the Government of India that the question was receiving their active consideration.

Apart from the direct stimulus that such a treaty between India and America would give to the trade between the two countries, the question has become important in view of the fact that the absence of such a trade treaty constitutes a great handicap in the way of Indian businessmen carrying on their legitimate trade activities in the United States of America. As the Government must be aware, the United States enacted an immigration law in 1934 barring free entry and residence in the States of all Asiatic races including the people of India, Japan, China, Siam and other countries. Citizens of these countries may visit America as tourists or temporary visitors or students. As temporary visitors, they may stay in America for six months under a visa from the American Consul and if they wish to prolong their temporary stay, they have to get an extension from the immigration authorities Indian businessmen are permitted to land in America only under this section and the status of an Indian busi-

nessman, therefore, is that of a temporary visitor who may stay in the United States only at sufferance and at the discretion of the immigration officials.

The Committee understand that the Japanese, Chinese and Siamese traders have got over these difficulties by their respective countries entering into a trade treaty with the United States. The Committee understand that trade treaties grant to the nationals of the country which are parties to them the right to enter and reside in the United States for purposes of promoting trade between the States and such countries. Thus, in the absence of a trade treaty between India and the United States, it is Indian businessmen alone who are still debarred from carrying on their peaceful trade avocations in the United States of America uninterrupted and without any time restrictions on their stay.

The Committee also understand that the authorities in the United States of America are prepared to give sympathetic consideration to suggestions about the conclusion of a commercial treaty between United States and India In view of the fact that the absence of a trade treaty between India and the United States places a great obstacle in the development of mutually advantageous trade between the two countries, it is imperative that early steps are taken to conclude such a treaty. The Committee, therefore, will be obliged to be enlightened as to the progress made in the matter by the Government of India.

Copy of letter No. D.1294-X/39, dated the 22nd March 1939, from the Government of India, (External Affairs Department) to the Chamber.

Negotiations for a general treaty of Commerce and Navigation between India and the United States of America.

With reference to your letter to the Secretary to the Government of India, in the Commerce Department, No 472, dated the 8th March 1939, I am directed to state that negotiations have commenced with a view to concluding a general treaty of Commerce and Navigation between India and the United States of America. The Government of India are at present awaiting the draft of such a treaty which the Government of the United States of America have agreed to furnish for the consideration of the Government of India. I am to add that the primary object of such a treaty is to secure greater facilities than at present for Indians wishing to enter the United States for purposes of trade.

Letter No. 638, dated the 28th March, 1939, from the Chamber to the Government of India, External Affairs Department.

Re: Negotiations for a general treaty of Commerce and Navigation between India and the United States of America.

I am directed to acknowledge receipt of your letter No. D.1924-X/39, dated the 22nd March 1939 on the above subject in reply to this office letter of the 8th March 1939. The Committee are obliged to you for the information contained in the letter and are glad to note that negotiations have already commenced with a view to the conclusion of a general treaty of Commerce and Navigation between India and the United States of America. They would, however, emphasise the necessity of the Government of India taking the Indian commercial community into confidence during the course of the negotiations and suggest that the Government should invite the Federation of Indian Chambers of Commerce and Industry to nominate representatives to advise the Government in this connection The Committee trust that the above suggestion will meet with the approval of the Government of India. They will be obliged to have a reply in the matter.

INDIA AND BURMA (TRADE REGULATION) ORDER, 1937—ALLEGED DUMPING OF BURMESE RICE INTO INDIA.

Copy of letter No 121(7)-Com., dated the 11th January, 1939, from the Government of Bengal, Department of Commerce and Labour to the Chamber.

SUBJECT: India and Burma (Trade Regulation) Order, 1937.

I am directed to forward a copy of a letter from the Bengal National Chamber of Commerce. No. T R.2, dated the 30th December, 1938, together with its enclosure,* on the above subject, and to request that your Chamber will be so good as to favour this Government at an early date with an expression of their views on the matter.

Letter No. 418, dated the 1st March 1939, from the Chamber to the Government of Bengal, Department of Commerce and Labour.

Re: India and Burma (Trade Regulation) Order, 1937.

I am directed to refer to your letter No. 121(7)-Com. dated the 11th January 1939 enclosing therewith a copy of a letter from the Bengal National Chamber of Commerce on the above subject and inviting the views of the Chamber on the suggestions made by them. The representation made by the Bengal National Chamber deals mainly with the rice situation and suggests notice of termination of the India

and Burma Order being given by the Government of India to the Government of Burma in order to enable the former to take effective measures to stop dumping of rice from Burma.

The question of the termination and renewal of the Indo-Burma (Trade Regulation) Order is a very important one, wide in its scope and effects, and the Committee submit that it should be considered as a whole in a comprehensive manner and not from the view-point of one particular commodity alone. The Committee have already addressed a letter in this connection to the Government of India and I am directed to enclose herewith a copy of the same for your information.

As regards the question of the Rice trade, my Committee have given careful consideration to the points raised by the Bengal National Chamber in the light of the trade and statistical information available. As the Bengal National Chamber have themselves pointed out, "the annual consumption of rice in Bengal is considerably in excess of the average quantity annually produced in this province." The production (from all the three crops *viz*, *Aus* (Summer), *Bhadoi* (Rains) and *Amun* (Winter) has been decreasing during the last few years (except for a spurt in 1936-37) as will be evident from the following figures:—

Financial year.	Total annual production of rice in Bengal, (In 1000 tons).	Financial year.	Total annual production of rice in Bengal, (In 1000 tons).
1932-33	9364	1936-37	9814
1933-34	8680	1937-38	9039
1934-35	8273	1938-39	7327 (2nd Forecast).
1935-36	7208		

The total annual requirements of rice in Bengal on the other hand (including re-exports and the quantity required for seeds etc.) is estimated to be considerably more than the present production and it is, therefore, obvious that this gap between demand and supply has to be filled by imports. In view of the fact that rice is the staple food especially of the poorer classes, any restriction on the imports would be a measure of very doubtful utility particularly because of the deficit in production as compared to its total consumption.

As a matter of fact, so far as rice is concerned, even taking India as a whole (excluding Burma which does not now form part of India) it will be found that she is not an exporting country except for the export of about two lakh tons each year of certain superior varieties. On the contrary, India imports between 15 to 20 lakh tons of rice each year to make up her annual deficit and the bulk of this import is naturally from Burma which is one of the three cheif rice-exporting

countries of the world as well as nearest to India. Moreover, as a study of the figures of the imports of rice from Burma into India given below will show, Bengal accounts for only a small portion of the total imports from that country, the major portion of the imports going to Bombay and Madras :—

Financial year.	Total Imports from Burma. In 1000 tons.	Share of Bengal In 1000 tons.	Share of Bombay Presdcy. In 1000 tons.	Share of Madras Presdcy. In 1000 tons.
1937-38	1231	149	371	711
1938-39 ... (Apr-Dec. nine months)	783	119	201	463

Even out of the total imports into Bengal from Burma, a large portion is meant for interior markets outside the province. For example, Chittagong imports large quantities of rice for consumption in Assam and imports into Calcutta are distributed over distant inland centres like Bihar, U. P and other places. It will thus be seen that the Bengal market is affected only to a comparatively slight extent by the imports from Burma and there is hardly any justification for advocating on that score a restriction against such imports which are necessitated by natural circumstances and which mostly go to parts of India other than Bengal

The Committee find that the fact of "dumping" of rice from Burma is not borne out by statistical data They give below the figures of the total imports of rice into the port of Calcutta from Burma which would show that instead of there being any increase in the imports during the last two years there has been actually a considerable decrease :—

Year.	Imports. In 1000 tons (App)	Year.	Imports. In 1000 tons. (App)
1934 ..	500	1936	370
1935 ...	150	1937 .	100
		1938 ..	40

The large imports in 1934 and 1936 were due to the crop in Bihar being damaged to a considerable extent by the Earthquake in the former year and due to a short crop in the latter year. It will thus be found that the imports from Burma only follow demand and do not show any indication of "dumping".

The fall in the price of rice and paddy is not an isolated phenomenon either as regards the commodity or as regards this province.

As is well-known the prices of agricultural commodities in general have fallen all over the world during the last few years and Burma having to compete in the world market with Siam and Indo-China, the price of Burma rice is determined by world factors The Committee do not agree that Burma is selling at unremunerative prices particularly in view of the fact that she produces rice with the aid of imported labour from India. It may also be mentioned here that a large portion of the rice trade in Burma is in the hands of Indians and any restriction on the imports of rice from that country would adversely affect the Indian population there including future Emigration.

In view of the above facts, the Committee are unable to subscribe to the view that Burma is dumping rice in Bengal at unremunerative prices. Indeed it is striking that although the yield during the last seven years as shown above has varied considerably, mostly on the downward trend, the area under rice cultivation in Bengal has remained almost the same, as about 21 million acres This clearly proves that what the cultivator is suffering from is not competition from Burma but low yield and deterioration of the crop. The proper course, therefore, for improving the prices of Indian rice and paddy would be for the Government to initiate intensive measures for improving the cultivation of paddy as also the milling and marketing conditions in Bengal which, the Committee understand, are not satisfactory at present Superior qualities of Indian rice fetch better price than Burma rice even now in foreign countries and if proper steps are taken in the directions pointed out above, the Indian cultivator could certainly realise more for his crop The Committee are of opinion that the imposition of any restrictive measures on the imports of rice from Burma would, in the present conditions of rice trade, hardly improve matters. The Committee would emphasize that the rice trade between India and Burma, important as it is, is one of the several items which were under consideration in connection with commercial agreement and relationship between India and Burma.

I am directed to express the hope that the views expressed above will receive careful consideration of your Government before any steps are taken in this connection.

Letter No. 156, dated the 31st January, 1939, from the Chamber to the Government of India, Commerce Department.

I am directed by the Committee of the Indian Chamber of Commerce, Calcutta, to address you in connection with the India and Burma (Trade Regulation) Order, 1937. Paragraph 7 of part 1 of the Order lays down that the order shall remain in force for three years with effect from the 1st April 1937 or until 12 months have

elapsed from the giving by one of the parties to the other a notice of termination whichever is the longer period. The Committee understand that the Government of India have been approached to give notice of termination before the 31st March 1939 and to take steps for negotiating a fresh trade agreement with Burma.

As your Government are aware, there has been close economic and cultural association between India and Burma since long and political relationship for nearly half a century before the separation in 1937. The question of a trade agreement between the two countries is a very important one not only from the point of view of the large volume of export and import trade between the two countries but also from that of safeguarding the interests of the large number of Indians settled in Burma. The public and the commercial community in particular are greatly exercised owing to the unfortunate and uncertain situation created in Burma as a result of the deplorable riots of last year which is even now far from satisfactory. The Committee, therefore, will be glad to be advised at an early date as to whether the Government of India are considering the question of giving notice of termination of the present Trade Order and, if so, what steps they propose to take to negotiate a fresh agreement. The Committee are strongly of the opinion that in view of the large interests involved, it is essential that the whole question of the future trade relations between India and Burma should be considered by a conference including the representatives of the Indian commercial and mercantile community as was done at the time of the formulation of the present Trade Order before separation.

An early reply will oblige.

Copy of letter No. 100-T(1)/39, dated the 22nd February, 1939, from the Government of India, Department of Commerce to the Chamber.

SUBJECT: India and Burma (Trade Regulation) Order, 1937.

With reference to your letter No 156, dated the 31st January, 1939 on the above subject, I am directed to invite attention to the speech made by the Honourable the Commerce Member in the Legislative Assembly on the 10th February during the course of the debate on the resolution moved by Choudhuri Raghubir Narain Singh regarding the question of the termination of the India and Burma (Trade Regulation) Order, 1937, and to say that the Government of India have nothing to add to it.

Copies of the debates in the Legislative Assembly for the 10th February, 1939, can be had from the Manager of Publications, Civil Lines, Delhi or from recognised book-sellers.

NORTHERN INDIA MATCHES (EXCISE DUTY) SUPPLEMENTARY ORDER, 1938.

Copy of letter D. A. Dis. No. 49-C Exc /39, dated the 21st February, 1939, from the Central Board of Revenue to the Chamber.

Northern India Matches (Excise Duty) Supplementary Order, 1938—Clause 43—Suggestion for the amendment of.

With reference to your letter No. 99 dated the 19th January 1939, I am directed to say that the Board has carefully considered your request but regrets that it is unable to recommend to Government an amendment of Clause 43 of the Northern India Matches (Excise Duty) Supplementary Order 1938, as suggested by you

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Letter No. 800, dated the 29th April 1939, from the Chamber to the Government of India, Finance Department.

I am directed by the Committee of the Indian Chamber of Commerce, Calcutta to invite your attention to clause 43 of the Northern India Matches (Excise Duty) Supplementary Order, 1938 This clause prohibits the removal of matches from the precincts of the factory in any manner contrary to the procedure laid down by the Order and further provides that if any matches are removed by any employee of the factory in contravention of the conditions prescribed in the Order, the licensee, that is the manufacturer, shall be held responsible for such removal and be liable to be dealt with according to the provisions of the Matches Excise Duty Act, 1934.

While the Committee appreciate that it is necessary to make some provision for preventing unauthorised removal of matches from the precincts of the factory, they are of the opinion that to fix the vicarious liability on the employer for thefts of his own goods committed by the employees is not reasonable. As you will realise, every employer is himself naturally anxious to see that his goods are not stolen away either by the employees or any other person and it is in the manufacturer's own interest to take due precaution for the same. It is, however, possible, particularly in the case of an article like Matches sticks, that small thefts may occur in spite of all precautions and watch maintained by the employer. Whatever quantity or number of match sticks are thus illegally removed from the factory is a dead loss to the manufacturer and it is highly unfair to add to his loss by making him responsible for any liability under the Excise Act, as a result of such unauthorised removal of matches by employees. As pointed out above, it is in the interests of the manufacturers themselves to keep a strict watch and the Chamber are assured by match manufacturers who are their members that they are always ready to co-operate with the excise officials in checking this leakage. The match manufacturers will have

no objection to strict action being taken against any employee or employees caught in the act of removing matches in an unauthorised manner It is a great annoyance to them to be held responsible for the criminal acts of their employees when such acts are against their own (employers') interests

The Committee approached the Central Board of Revenue to take steps for the necessary amendment of clause 43 of the Order with a view to exempt employers from any liability of an act in respect of any theft committed by their employees in contravention of the Excise Duty Order. The Central Board of Revenue, however, expressed their inability to accede to the request as, according to them, it was against "considerations of administrative efficiency". While the Committee appreciate the difficulty, they are strongly opposed to the continuance of the present position of fixing the vicarious liability on the employer solely because of considerations of adminstrative efficiency. The Committee trust that you will kindly give the matter your careful consideration and amend clause 43 of the Matches Excise Duty Order as suggested.

Copy of letter D A Dis No 169-C Exc /39, dated the 12th May 1939, from the Government of India to the Chamber.

Northern India Matches (Excise Duty) Supplementary Order, 1938, Clause 43—Amendment of Suggestion regarding.

With reference to your letter No 800 dated the 29th April 1939, I am directed to state that the Government of India regret that they are unable to accede to the request made by you.

INDO-BRITISH TRADE AGREEMENT

Letter No. 622, dated the 26th March, 1939, from the Chamber to the Government of India, Department of Commerce.

Re: Indo-British Trade Agreement.

I am directed by the Committee of the Indian Chamber of Commerce, Calcutta to place before you their views regarding the proposed Trade Agreement to be concluded between His Majesty's Government in the United Kingdom and the Government of India, the terms of which were published on the 21st instant.

2. Before proceeding to an examination of the terms of the new Agreement, the Committee would like to record their protest against the manner in which the Agreement along with the voluminous memoranda accompanying it has been published leaving very little time for the interests concerned as also for members of the Central Legislature to go through the material carefully in order to exptess their considered

opinion on such an important matter. The commercial community as well as members of the Legislature were constantly urging the Government of India to publish the reports submitted from time to time by the unofficial Advisers. If this had been done, public opinion would have been in a better position to estimate the full implications and effects of the Agreement when published The Committee strongly feel that in view of the large interests involved in the trade Agreement, the Government of India should have given more time for its thorough consideration. They also deplore the manner in which the Reports of the Advisers have been edited by the Government before publication, exempting certain portions and modifying certain others thus preventing the public from knowing the views of the unofficial advisers in their entirety and as originally put forward by them.

3 The most important feature of the new Agreement, which is also a departure from the existing one, is the Cotton Article by which it is proposed to give the United Kingdom a new concession by lowering the duty on the import of her cotton piece-goods into India linked up with the offtake of Indian cotton by the United Kingdom. As a matter of fact, the impression which is formed by a perusal of the new Agreement is that it has been drawn up mainly to enable the Lancashire textile interests to recapture their lost market in this country. The inordinate protraction of the negotiations over the last two and a half years following the rejection of the Ottawa Pact by the Indian Legislative Assembly in March 1936 and their reported breakdown more than once on the cotton-textile question had amply foreshadowed that Lancashire was insisting on preferences in the Indian market which could not be reasonably agreed to in the best interests of the country and the terms of the new Agreement as now published confirm this view.

4. Although an elaborate scheme of linking up the import of cotton piece-goods from Lancashire with the export of cotton from India to the United Kingdom and of variation in the import duty on cotton piece-goods coming into India along with a system of "rewards and punishments" has been incorporated in the Cotton Article, a closer scrutiny of the terms of this Article proves that the Government of India have gone out of their way to give every possible opportunity to Lancashire interests to increase their export to the Indian market in complete disregard of the interests of the indigenous textile industry. The protective duty of 25% levied on the imports of piece-goods from the United Kingdom after years of agitation by the indigenous industry and which was already reduced to 20% in June 1936 is now sought to be brought down by the new Agreement to 15% with immediate effect. The Agreement, however, further provides that if the import of Lancashire piece-goods into India does not reach the minimum limit of 350

million yards in a year, the duty shall be further reduced by 2½% *ad valorem* thus reducing the original protection granted after an exhaustive enquiry by and on the recommendation of the Tariff Board, by 50%. It may be pointed out in this connection that the total import of piece-goods from the United Kingdom into India during the last year was only 266 million yards and the current year's imports are estimated to be slightly over 200 million yards, the actual for the ten months ending January 1939 being only 176 million yards. Apart from the fact that the minimum fixed under the Agreement is very much above the present level of imports, there is at present a large accumulation of stocks with the Indian mills and it is, therefore, unlikely that the import of piece-goods from Lancashire would reach the minimum limit during the next year It is, therefore, almost certain that a further reduction of 2½% in the import duty will, as pointed out above, have to be made in favour of Lancashire as per the terms of the proposed Agreement. But once this reduction is made, the Agreement provides as per clause 4 of Article 10 that the import duty *"shall not exceed"* this reduced figure of 12½% *ad valorem* "until the end of any cotton piece-goods year in which the total quantity of such goods imported into India exceeds 425 million yards". It will be observed that this provision only lays down that the import duty "shall not exceed" a certain figure but does not lay down clearly as to whether it will be automatically increased if the import of piece-goods exceeds the figure of 425 million yards Clause 5 of the Article only mentions that "if in any cotton piece-goods year the total quantity of United Kingdom cotton piece-goods imported into India exceeds 500 million yards, the duties.... ... *may be* increased above the basic rate to such rate as may be deemed necessary for purposes of restricting import of such goods during the year to the 'maximum yardage figure' for the preceding cotton piece-goods year" which maximum figure is to be 500 million yards. It will be observed from the above that whereas in respect of reduction in import duty on piece-goods, the Agreement is explicit and mandatory, so far as the reverse process of increase is concerned nothing definite is laid down. The terms of the Article are so framed as to give express advantage to Lancashire at every step and to ensure for it in India a market for more than double the quantity of piece-goods which Lancashire can at present sell, without stipulating clearly the advantage to be derived by India. The proposed Agreement, therefore, calculated as it is to reduce the original protection granted to the indigenous industry by 50% and ensure the import of a large quantity of Lancashire piece-goods is bound to affect adversely the indigenous industry. Indeed, taking into consideration the fact that Indian mills have also to pay import duty on machinery, stores etc., it is apparent that the

indigenous industry is virtually deprived of the protection afforded to it after years of agitation Moreover, the effect of the guaranteed imports from Lancashire will be that Indian mills will have to curtail their production at least to the extent of the increased imports from Lancashire. It need hardly be added that the handloom industry which has also received a great impetus as a result of the protection granted to the textile industry will receive a serious setback The unofficial Advisers in paragraph 13 of their Report dated the 10th October 1936 clearly pointed out "the importance of avoiding any agreement which might impair the existence and development of Indian industries" and laid that down as one "of the considerations which, in our opinion, should guide the conclusion of a Trade Pact". This is also recognised by the Government of India in Section III, page 12 of their memorandum on the Trade Agreement where they state that one of the "conditions precedent to the grant of preferences" should be "that no important domestic interest should be sacrificed" It is clear, however, that in its most important Article the proposed Agreement completely fails to satisfy the test laid down by the Advisers and accepted by the Government.

5. The Committee would now proceed to examine the undertaking given by the United Kingdom for the offtake of certain quantity of Indian cotton every year as against the concession given to her to export piece-goods. It is regrettable that Lancashire has failed to offer a *quid pro quo* in this respect. The United Kingdom had already been importing on an average during the last three years about 5 lac bales of Indian cotton As against this, the proposed Agreement provides for a minimum stipulation of only 400,000 bales during the first year and of 450,000 bales during the subsequent years As the unofficial Advisers state in paragraph 5 of their Report dated 5th September 1938 "Lancashire was, on an average, already consuming 2½ lacs of bales of our cotton before the Ottawa Agreement and had actually consumed in 1935-36 and 1936-37, 5½ and 6½ lacs of bales respectively". They, therefore, submitted, with the advice and concurrence of the representatives of the Indian cotton growers, that the minimum stipulation for the offtake of Indian cotton should be at least 6½ lacs of bales with an objective figure of 10 lac bales, which quantity, according to the Indian Central Cotton Committee "Lancashire could consume without any hardship or modifications in its existing production". It is doubtful whether in view of the above facts, the undertaking given by the United Kingdom to import only 4 to 4½ lac bales per year provides any adequate *quid pro quo* for the large concessions which she has received in connection with the exports of her piece-goods to India. Moreover, the definite demand of the Indian cotton growers that " of

the quantity to be taken by the United Kingdom at least 65% shall be Bengal, Oomras, Berar and other short and fair staple varieties", has not at all been mentioned in the new Agreement.

6 It is thus deplorable that in spite of the fact that the conclusion of the Indo-British Trade Agreement was held up all these months because of the difficulty in arriving at a satisfactory settlement in regard to cotton textiles, the Cotton Article of the proposed Agreement is not only most unsatisfactory so far as India's cotton interests are concerned but will involve positive hardship and impose needless sacrifice and artificial restriction on the indigenous textile industry. The Committee strongly feel that such unfair terms could not have been agreed to on behalf of India if the negotiations had proceeded on an equal footing and the Government of India would not have been subordinate to the Government of the United Kingdom.

7 As regards the other articles involving mutual preference, the Committee have to point out that the more important recommendations of the unofficial Advisers in respect of commodities like wheat in grain, rice, linseed, coffee, chrome leather, woollen carpets and drugs, jute manufactures etc., have not been accepted by the United Kingdom Government Indeed, in the matter of general preferences granted to Indian goods in the United Kingdom, the new Agreement substantially follows the Ottawa Pact which had been unequivocally denounced not only by the Indian commercial community but also by the Central Legislative Assembly as far back as 1936. It should be emphasised that in spite of the clear and comprehensive analysis given by the unofficial Advisers in their Report dated 3rd October 1937 showing that most of the so-called preferences given to Indian goods "are of doubtful value", the Government of India in their memorandum have tried to show that the concessions granted to India relate to "no less than 82% of India's total exports to the United Kingdom". The unofficial representatives clearly pointed out that out of the total Rs 33½ crores worth of goods on which India gets preference under the Ottawa Pact, there were goods worth only Rs. 6 crores on which she enjoyed any effective preference. "The rest of the trade" they observed, "gives India no more than an insurance value". It may be pointed out that under the new Agreement as under the old one other Empire countries get the same preference as is given to Indian goods in the United Kingdom market and in view of the fact that our main competitors are Empire countries, the value of effective preference enjoyed by India is reduced to a large extent. Moreover, it should also be remembered that whereas the preferences enjoyed by the United Kingdom relate to manufactured articles and hence are directly detrimental to the growth of indigenous industries *e.g.*, in the case of the preferences granted to

chemicals, paints instruments and apparatus etc , leaving aside cotton textiles, the commodities in which India is granted preference are mostly raw materials which the United Kingdom has in any case to purchase for keeping her industries going and particularly in connection with her armament programme. Further, in the list of commodities in which the United Kingdom is said to have given preference to India are included articles such as tea, the export of which is regulated by an international restriction scheme, and jute, myrobalans etc , in which India has got an export monopoly in the world and which are allowed free entry into the United Kingdom irrespective of their country of produce and origin. The Committee cannot help observing that this is done apparently in order to swell the total value of preference, enjoyed by India. On the other hand certain United Kingdom imports which are already receiving preference in the Indian market by separate arrangement *e.g.*, iron and steel goods of certain varieties, are not taken into account in assessing the value of preferences obtained by the United Kingdom in the Indian market

8 Whereas the United Kingdom has thus obtained substantial advantage in the Indian market for her textile goods under the present Agreement, the commodities in which India has been given preference in the new Agreement are mostly the same as under the previous one. As a matter of fact, there has been deterioration in the position since the Ottawa Pact was concluded in 1932 so far as preferences to India are concerned. Apart from the circumvention of the preferences in the case of linseed by the method of drawback during this period, preference on pig iron was also removed Further, the preference on wheat in the grain was withdrawn and the preference on rice was lowered as a result of the Anglo-American Trade Agreement although the United Kingdom Government failed to secure even a small concession for Indian hessian in the American market at the time of that Agreement. Moreover, many of the items which are included in the preferences given to India have been enjoying similar privilege in the United Kingdom market for a long time before the Ottawa Agreement The new Agreement, therefore, does not secure any fresh material advantages for India as it does for the United Kingdom.

9. In conclusion, the Committee would like to emphasise that a Trade Agreement should not merely be based on an arithmetical estimate of the value of the trade involved but upon larger considerations of the circumstances and requirements of each country and upon the character of the trade of each. As is well known, there is a considerable volume of invisible imports from the United Kingdom into India in the shape of services of various kinds like shipping, banking, insurance etc. and technical and administrative services. India has to pay

a large sum annually to the United Kingdom in return of these services and it is essential that these invisible imports should be taken into account while concluding a trade agreement between these two countries. The Committee would point out in this connection that the recommendations of the unofficial Advisers in respect of protection to Indian insurance and banking companies etc., and in respect of arrangements for apprentices from India obtaining necessary facilities for training in British factories and commercial concerns have not been accepted. The unofficial Advisers also recommended relief to Indian shipping. It may be pointed out that in the United Kingdom also commercial agreements with several countries have included stipulations for the utilisation of British shipping. British shipping interests themselves asked for such an advantage being secured for them in the Indo-Japanese trade at the time of the Indo-Japanese trade negotiations on the basis of the bargaining power of India which demand was, however, rightly rejected by the Government of India at the time The Committee are strongly of opinion that India's bargaining power should have been utilised to secure the participation of Indian shipping in this sphere of India's overseas trade and thereby encouraging the expansion of India's national shipping.

10. Considering all the above facts, therefore, the Committee have to come to the conclusion that the Agreement is not in the larger interests of the country and as such is not acceptable to the Indian commercial community. The main object underlying the whole Agreement appears to be to help Lancashire to regain its lost market in India at the expense of the indigenous textile industry and against the views of the unofficial Advisers who were associated with the negotiations. The Committee hope that the Indian Legislature will refuse to ratify this Agreement.

Telegram dated the 30th March, 1939, from the Chamber to the Government of India, Department of Commerce.

Committee Indian Chamber of Commerce Calcutta concerned at attempts being made to induce Government of India to override decision of Legislative Assembly regarding Indo-British Trade Agreement and strongly deprecate such pressure to bring Agreement into operation in clear disregard of Assembly's verdict. Committee also deplore suggestion that Assembly's decision was taken lightly and does not accurately reflect public and commercial opinion on the subject. Committee strongly feel Government should not permit any technical constitutional difficulties to stand in way of honouring convention already established that Trade Agreements should be ratified by Indian Legislature in order to be binding on India. Sir George Rainy in announcing

decision of Government to send Indian Delegation to Ottawa in 1932 clearly stated that Government had no intention to put any changes into effect unless Legislature was satisfied that they were in best interests of India. Subsequently when Government brought resolution before Assembly to seek its approval of Ottawa Agreement they declared that Government were responsible to Assembly regarding that Agreement in the sense that they undertook that in case Assembly decided that Agreement was not in India's interest Government would be bound to act accordingly. This convention was not only reiterated but also acted upon when Assembly rejected Ottawa Agreement in March 1936. Fiscal Commission also laid down that no preference should be granted on any article without approval of Indian Legislature. Committee find that position as disclosed by Article Sixteen regarding coming into force of new Agreement is uncertain as also about interim arrangement since it is stated that the two Governments will apply provisions of new Agreement as far as may be possible pending its coming into force Committee strongly feel that Government should not go back on established policy of getting Trade Agreements sanctioned and ratified by Legislature and urge Government respect Assembly's verdict

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Letter No. 692, dated the 4th April, 1939, from the Chamber to the Government of India, Department of Commerce.

I am directed by the Committee of the Indian Chamber of Commerce, Calcutta to refer to the Bill introduced by the Government of India in the Assembly to give effect to the terms of the new Indo-British Trade Agreement which was rejected by the Legislative Assembly on the 28th March 1939. The Committee take strong exception to the action of the Government in overriding the decision of the Legislative assembly and thus making a departure from a well-established convention that in the matter of concluding trade agreements with other countries, the Government should follow the decision of the Legislative Assembly and that in order to be binding on India trade agreements should be ratified by the Legislature. The Committee recall the remarks made by Sir George Rainy while announcing the decision of the Government to send Indian Delegation to Ottawa in 1932 that Government had no intention of putting any changes into effect unless the legislature was satisfied that they were in the best interests of India. This convention was also reiterated when the Government subsequently brought Resolution before the Assembly to seek its approval of the Ottawa Agreement. It was also in pursuance of this established practice that following the rejection of the Ottawa Agreement by the Assembly in March 1936, the Government of India gave notice of termination of the

said agreement to the United Kingdom and entered upon negotiations for the conclusion of a fresh trade agreement. The Committee regret that with regard to the present agreement which has not only been thrown out by the Legislative Assembly but has also been opposed unanimously by almost all responsible commercial organisations in the country, the Government should seek to override the decision of the Assembly.

The Committee wish to point out that the Fiscal Commission also clearly laid down that no preference should be granted to any article without the approval of the Indian Legislature, and the Assembly having already thrown out the new trade agreement, the Government should not try to give effect to the preferences proposed in the said agreement. The Committee are strongly opposed to such action of the Government and wish to record their emphatic protest against it.

PROPOSED INCREASE OF TEA CESS FROM RS. 1/4 TO RS 1/6.

Letter No 2363, dated the 11th November, 1938, from the Chamber to the Government of India, Department of Commerce.

The attention of the Committee of this Chamber has been drawn to the Resolution adopted by the Indian Tea Market Expansion Board in their Half-yearly Meeting on the 26th August, 1938, to the effect that 'in order to provide sufficient funds during 1939-40 with which to prosecute the campaign in India as provisionally decided upon by the Board and the external campaigns as recommended by the International Tea Market Expansion Board and provisionally endorsed by the Indian Board, a request be made to the Government of India to increase the rate of Tea Cess prescribed under Section 3 of the Indian Tea Cess Act, 1903 as subsequently amended, from Rs. 1/4 to Rs. 1/6 from 1st January, 1939 or as soon as possible thereafter.

In this connection the Committee would point out on behalf of the Indian Tea interests that the enhancement of the rate of Tea Cess would be prejudicial to Indian Tea Growers. In 1936 also when it was proposed to increase the Tea Cess rate from As. /12/- to Rs. 1/8, the Committee of this Chamber had pointed out that the collection of funds should be on a rate which is consistent with the amount of money required for useful expenditure. Last year too when the Government of India consulted this Chamber about the suggestion to increase the rate to Rs. 1/4, the Committee had expressed their disapproval of the proposal and stated that the rate might be increased to Re. 1/- only, if at all necessary. The Committee are given to understand that the results of the campaign in America and in certain other countries have been far from satisfactory. They are of opinion, therefore, that instead

of increasing the rate of cess in order to finance the foreign campaigns the Government should first institute a thorough enquiry in the matter. The Committee are opposed to any enhancement of the Tea Cess Rate as proposed without a complete investigation as regards the expenditure incurred in foreign campaigns and the results obtained therefrom.

Moreover, the Committee would point out that the present ruling tea prices are such that even the present rate of tea cess of Rs. 1/4 appears to be high. The Committee cannot too much emphasise that the rate of tea cess should be such as the commodity may be able to bear and they would, therefore, request the Government not to entertain any proposal at present about an increase in the rate of Tea Cess.

The Committee would reiterate here the suggestion they had made that in view of the magnitude of the Indian Tea interests as compared with those of Ceylon and the Netherlands East Indies, the direct responsibility for all foreign propaganda and the management and voting of all the funds in this respect should vest with the Indian Tea Market Expansion Board The International Board should be such as would disseminate knowledge and send out its recommendations to the various National Organisations and should work in a consultative capacity. The Committee believe that there is no justification for the Indian Tea Market Expansion Board to entrust its propaganda work to another International Board.

The Committee trust the matter will receive your careful attention and shall be glad to be advised of the steps being taken in the matter.

Copy of letter No. 311(1)Tr.(I.E R.)/39, dated the 10th January, 1939, from the Government of India, Department of Commerce to the Chamber.

SUBJECT : Proposed enhancement of the rate of tea cess from Rs. 1/4 to Rs. 1/6 per 100 lbs. of tea exported from India.

I am directed to enclose copy of a letter from the Indian Tea Market Expansion Board No. 756-T.C., dated the 29th December, 1938, and its enclosure containing a letter from the Board to the Indian Tea Association, dated the 22nd September, 1938,* on the subject mentioned above.

2. For reasons explained by them, the Indian Tea Market Expansion Board have suggested that the rate of cess leviable on Indian tea exported from India should be raised from Rs. 1/4/- to Rs. 1/6/- per 100 lbs. and that the increased rate may be brought into force as soon as possible. Before arriving at a decision the Government of India would be glad to have any observations which your Chamber may wish to offer in the matter. I am to request that such observations may be

forwarded so as to reach this Department not later than the 4th February, 1939.

Letter No 163, dated the 3rd February 1939, from the Chamber to the Government of India, Department of Commerce.

I am directed to invite reference to your letter No. 311(1)TR(IER)/39, dated the 10th January 1939 regarding proposed enhancement of the rate of tea cess from Rs 1/4 to Rs. 1/6 per 100 lbs. of Tea exported from India. The Committee have carefully gone through the letter on the subject addressed to the Government by the Indian Tea Market Expansion Board a copy of which was enclosed along with your letter to this Chamber The Committee, however, regret that they are not agreeable to the proposal to increase the rate of tea cess, put forth by the Indian Tea Market Expansion Board. The Committee would point out that the reason adduced by the Board in support of their recommendation is that if sufficient funds are provided, the campaigns for promoting consumption of Tea in India as well as abroad may be encouraged. The Committee, however, feel it extremely doubtful if the results of the external campaigns so far achieved are in any way encouraging enough to put further large amounts of money in the same before a thorough enquiry into the whole question has been made. The exports of Black Tea from India to U S A during the last few years shew as under :—

1928	17,531,286
1929	21,100,315
1930	19,463,862
1931	21,822,090
1932	21,665,057
1933	22,463,511
1934	16,646,030
1935	15,767,546
1936	14,647,006
1937	17,621,091
1938	13,156,679

The Committee, therefore, find it extremely difficult to support any proposal to undertake additional expenditure for conducting propaganda in foreign countries.

The Committee further believe that the enhancement of the rate of Tea Cess would be prejudicial to Indian Tea Growers. The Committee need hardly reiterate that as early as 1936 when it was proposed to increase the tea cess rate from annas -/12/- to Rs. 1/8, this Chamber had pointed out that the collection of funds should be on a rate which

is consistent with the amount of money required for useful expenditure. Last year too when the Government of India consulted this Chamber about the suggestion to increase the rate to Rs 1/4 the Committee had expressed their disapproval of the proposal and stated that the rate might be increased to Re. 1/- only if at all necessary The increase in the rate from 12 annas to Rs. 1/4 effected last year amounted to about 66% and the Committee do not see any reason to increase it further at present

Regarding the question of consultation of the Industry, the Committee learn that on the percentage of acreage, about 9·12% were against the increase in the rate while replies from about 9·34% had not been received. The Committee feel it doubtful if the latter can be construed to be in agreement with the proposal, simply on account of certain hint in this respect in the circular letter from the Indian Tea Association In the opinion of the Committee, a percentage as large as about 19% of the Industry cannot be ignored on such an important question.

The Committee would further point out that the tea prices prevailing at present are such that even the present rate of Tea Cess of Rs 1/4 appears to be high. The Committee cannot too much emphasize that the rate of tea cess should be such as the commodity is able to bear and they would, therefore, request the Government not to entertain the proposal at present about an increase in the rate of Tea Cess The Committee would rather urge that a complete enquiry into the question of the expenditure incurred on the external campaigns for extending the Tea Markets, the methods for the same, as also the results so far achieved in that direction should be undertaken at an early date.

Fixation of separate Tariff Values for Cloves from Zanzibar and from Madagascar.

Letter No. 683, dated the 4th April, 1939, from the Chamber to the Director-General of Commercial Intelligence & Statistics

I am directed to invite reference to the question of separate entries in the Import Tariff for cloves from Zanzibar and from Madagascar, which was discussed in November last in the Informal Conference in connection with the Annual Revision of tariff values. As you will recall, it was suggested at that time that the question should have been raised earlier in the year preferably in May or June. The Calcutta Kirana Association, an affiliated body of this Chamber, at whose instance the matter was taken up, has now written that these two kinds of cloves differ in quality and prices and separate tariff entries should be fixed for each as early as possible. In their opinion if the matter is taken up at

present, they will have enough time to collect whatever information and data you may desire to have in the matter.

I have therefore to request you to kindly take the matter for consideration at your early convenience.

Copy of letter No 5310-C I C., dated the 18th April, 1939, from the Director-General of Commercial Intelligence & Statistics to the Chamber

Fixation of separate tariff values for cloves from Zanzibar and from Madagascar

I write to acknowledge the receipt of your letter No. 683, dated the 4th April, 1939, on the above subject In this connection I would request you to be so good as to furnish me at an early date with an up-to-date statement showing the prices from October 1938 of different qualities of cloves from Zanzibar and from Madagascar Similar statements for subsequent months also as they become available, would be appreciated.

Letter No 860, dated the 10th May, 1939, from the Chamber to the Director-General of Commercial Intelligence & Statistics.

Re. Fixation of separate tariff values for cloves from Zanzibar and from Madagascar.

With reference to your letter No. 5310-C. I. C. dated the 18th April 1939 I am enclosing herewith a statement showing the average monthly C I F Calcutta prices of Zanzibar and Madagascar cloves from October 1938 to April 1939. I shall arrange to send you statements for subsequent months also as they become available.

(*Enclosure*).

Statement showing the monthly C I F. Calcutta prices of Zanzibar and Madagascar Cloves from October 1938 to April 1939.—

Month.	*Zanzibar Cloves Per cwt.*			*Madagascar Cloves Per cwt.*		
	Rs	As.	P	Rs	As.	P.
October 1938	48	5	0	40	0	0
November 1938	48	0	0	40	0	0
December 1938	48	0	0	39	0	0
January 1939	47	8	0	40	0	0
February 1939	46	8	0	40	8	0
March 1939	46	8	0	42	0	0
April 1939	46	8	0	41	0	0

Copy of letter No. 9916-C.I.C., dated the 18th July, 1939, from the Director-General of Commercial Intelligence and Statistics to the Chamber.

Fixation of separate tariff values for cloves from Zanzibar and from Madagascar.

In reply to your letter No 683, of the 4th April, 1939, on the above subject, I write to say that in view of the difficulty in distinguishing between cloves from Zanzibar and from Madagascar and of other administrative difficulties it is not possible for me to recommend the adoption of two separate tariff values for cloves from these two countries. I may add however that if imports of cloves from Madagascar show signs of increase the quantity imported and the market values prevailing for the two varieties will be taken into consideration at the time of the next annual revision.

Letter No. 1494, dated the 29th July, 1939, from the Chamber to the Director-General of Commercial Intelligence and Statistics

I have to invite reference to your letter No. 9916 dated the 18th July 1939 regarding fixation of separate tariff values for cloves from Zanzibar and from Madagascar It is pointed out in your letter that in view of the difficulty in distinguishing between cloves from Zanzibar and from Madagascar and other administrative difficulties you do not think it possible to recommend adoption of two separate tariff values for cloves from these two countries I however learn that it is easy to distinguish Zanzibar cloves from Madagascar cloves as the latter are packed in bags while the former are packed in bales. I am not aware of the other administrative difficulties mentioned by you but shall be glad if you will reconsider the matter in view of the simple manner of distinguishing between the two kinds of cloves suggested above.

Copy of letter No. 10845-C.I.C , dated the 4th August, 1939, from the Director-General of Commercial Intelligence and Statistics to the Chamber.

Fixation of separate tariff values for cloves from Zanzibar and from Madagascar.

With reference to your letter No. 1494 of the 29th July, 1939, on the above subject, I write to say that I have very carefully examined the administrative aspect of the question in consultation with the Collectors of Customs and do not consider that a further examination will serve any useful purpose.

Letter No. 1755, dated the 25th August, 1939, from the Chamber to the Director-General of Commercial Intelligence & Statistics.

I am directed to invite reference to your letter No 10845-C.I.C., dated the 4th August 1939 regarding fixation of separate tariff values for cloves from Zanzibar and from Madagascar. The Committee regret to note that according to you a further examination of the question will serve no useful purpose They however now learn that consignments of cloves from Zanzibar or from Madagascar are imported with certificates of origin which would easily show the Port from which the shipment is made Moreover, the Bill of Lading of the steamer conveying the goods issued at the Port of shipment can also show the country of origin. The Committee further understand that cloves from Madagascar are imported in gunny bags of standard size and weight and the bags have the words "produce of Madagascar" stencilled upon them. The Committee would also point out that cloves from Zanzibar are assessed to a preferential rate of duty of 37½ per cent *ad valorem* while the standard rate of duty of 45 per cent. *ad valorem* is charged on Madagascar cloves. The Customs Authorities therefore must be already charging the two kinds of cloves separately and the Committee therefore fail to appreciate that any difficulty can be experienced in distinguishing one variety of cloves from the other. Moreover in view of the fact that imports of cloves from Madagascar amount to about 50 per cent. of the total clove imports of India and to more than 80 per cent. of the imports into Calcutta, the Committee feel the demand for a separate tariff classification of cloves from Madagascar is quite justified.

As regards the administrative aspect of the question the Committee are unable to say anything as they are not aware of the same but they understand that the Collector of Customs, Calcutta is in favour of the suggestion for separate classification of these two varieties of cloves.

The Committee of the Chamber therefore feel that the question should be reconsidered in the light of the above observations.

GRANTING OF BANDEROLS ON CREDIT.

Letter No. 694, dated the 1st/5th April, 1939, from the Chamber to the Central Board of Revenue.

I am directed by the Committee of the Indian Chamber of Commerce, Calcutta to invite your attention to the question of granting Banderols on credit to the match factories. The Committee had occasion to write to the Commissioner of Central Excises and Salt in November last on this subject on the complaint of Messrs. Pioneer Match Factory, Dumdum, who are members of this Chamber. The Committee had

pointed out that this factory which is a long established concern and pays a large sum amounting to about Rs 4 to 5 lakhs annually to the Government by way of excise duty, had approached the Excise Department to grant them the facility of having Banderols, to be affixed to match boxes as evidence of payment of excise duty, on credit but their request was turned down by the Excise Department On the other hand, this facility was granted to the Western India Match Factory and certain other factories which were of recent growth The Committee had stated that there was no reason why the request of the Pioneer Match Factory should not be conceded to and they had therefore requested the Commissioner of Excise to reconsider the matter and see that no injustice was done to a long established concern A copy of the letter* is enclosed herewith for your information

The Pioneer Match Factory sometime back again addressed the Commissioner on the subject but were informed that the whole question of granting Banderols on credit was being reviewed by the Central Board of Revenue and pending further orders from the Board, no action could be taken in the matter.

The Committee of this Chamber feel that when the facility is being enjoyed by other factories it is unfair to deny the same to Messrs Pioneer Match Factory and in case the whole matter is under the consideration of your Board, there is no reason why such a privilege granted to certain factories should not be extended meanwhile to the Pioneer Match Factory also. The Committee hope your Board will appreciate the obvious injustice in the matter and take steps at an early date to see that the same is removed and either the facility is granted to the Pioneer Match Factory or failing that the same enjoyed by other factories is discontinued during the period the matter is being reviewed by your Board.

Statistics relating to Sugar.

Letter No. 80, dated the 17th January, 1939, from the Chamber to the Director-General of Commercial Intelligence & Statistics.

I am directed to refer to the figures of production and imports of sugar given in the "Monthly survey of business conditions in India" and the figures of imports of sugar given in the "Price and Trade movements" section of the Indian Trade Journal. These figures are at present given either for the Financial year from April to March, as in the former case or according to the Calendar year as in the latter.

As you are aware, sugar is a seasonal industry the usual crushing period beginning from November each year and extending up to March or April next. The trade will, therefore, much appreciate if the figures

*Please refer to last year's report page 56 (correspondence section).

relating to the production and imports of sugar as mentioned above are given according to the crushing year *i.e.* from November to the end of October of the following year instead of as at present It need hardly be mentioned that the utility of the figures will be greatly increased by this change. The analogy of the Jute season which begins from July each year applies in this case also. The Committee would, therefore, request you to kindly arrange for the figures mentioned being given in the respective publications for the year November to October instead of for the Calendar year or the financial year.

An early reply is solicited.

Copy of letter D.O. No. 426-S.R , dated the 13th March, 1939, from the Deputy Director of Statistical Research to the Chamber.

With reference to your letter No 80, dated the 17th January 1939 I write to inform you that in view of the reasons put forward by you, it has been decided to publish the figures relating to the production of sugar in India, on the seasonal year basis, in the Monthly Survey of Business Conditions in India with effect from its February 1939 issue The table on the import of sugar in the above publication will however continue to be shown in the present form.

TARIFF BOARD'S REPORTS ON SUGAR, PAPER AND MAGNESIUM CHLORIDE INDUSTRIES.

Letter No. 680, dated the 4th April, 1939, from the Chamber to the Government of India, Department of Commerce.

I am directed by the Committee of the Indian Chamber of Commerce, Calcutta, to invite your attention to the Resolutions of the Government of India on the Reports of the Indian Tariff Board on Sugar and Paper Industries published on 30th March, 1939. The Committee are addressing you separately regarding the proposals of protection to the paper industry and the Indian Sugar Mills Association which is affiliated to this Chamber are considering the proposals of the Tariff Board relating to the Sugar Industry and the Government's decision on the same. The Committee propose, however, to examine here certain broad issues arising out of the procedure adopted by the Government in relation to these Tariff Board Reports as also the Resolutions published by the Government on the reports on sugar and paper industries.

The Committee have to point out, in the first place, the inordinate delay in the consideration of the Tariff Board Reports particularly of that of the Sugar Industry by the Government and its publication after

more than a year and a quarter of its submission to the Government. Despite the insistent demand of the sugar industry supported by the Indian commercial community all over the country as also the Central Legislature, the Government of India did not publish the Report in time last year and resorted to a temporary measure for continuing the *status quo* for another year The other two Reports on Paper and Magnesium Chloride industries were also submitted to the Government as far back as 7th May 1938 and have been published now after about 11 months. The Committee have to state that the present is not a solitary instance of procrastination and undue delay in the consideration of Tariff Board Reports and have to recall the example of the glass industry, the Tariff Board Report of which was published over three years after its submission to the Government despite the continuous request of the industry and of the commercial community. The Committee strongly object to this procedure which can only lead to uncertainty and instability in the industry concerned and have to recall in this connection the observations made by the Indian Fiscal Commission that "the Government should publish the results of the enquiry promptly, whether it agrees with the conclusions of the Board or not". In the present instance, it is noteworthy that the Government who have themselves held the Tariff Board Report all these months, should characterise the Report as "already out of date" although they have the fairness to admit that it is through no fault of the Board. The Government, in the Resolution, also refer to the pronouncement of the Tariff Board in the light of conditions prevailing in 1937 as one that "has already become obsolete" and has stressed the changes in the situation and conditions since the Tariff Board reported. This attitude of the Government is astonishing because the responsibility for the delay in coming to a decision on the Report is entirely that of the Government themselves for reasons of which they have given no explanation to the public.

The Committee have further to point out that the Government have in the case of all the three industries differed from the considered recommendations of the Tariff Boards arrived at after careful and impartial enquiry. It is not without significance that in each case the decision has been to reduce the level of the protective duty recommended by the Tariff Board. While the Committee do not deny that the final responsibility for any action on the recommendations of a Tariff Board is that of the Government, they must observe that the procedure adopted by the Government latterly in regard to Tariff Board Reports shows a lack of courtesy and respect for the findings of an independent body like the Tariff Board and is not calculated to inspire the confidence of the public in the policy of the Government in regard to discriminating protection. The Committee regret that the Government should enter

into controversy with the Tariff Board as regards its findings, for as Sir George Rainy, the then Commerce Member of the Government of India pointed out in the Legislative Assembly during the discussion on the Bamboo Paper Industry (Protection) Bill in February 1932, the opinion of the Tariff Board particularly on questions of fact is "entitled to great respect". The Committee cannot help observing that such action on the part of the Government is also likely to impair the utility of the machinery set up by the Government to investigate and report on questions relating to protection to indigenous industries and will prejudicially affect the independence and value of the Tariff Board in the future

The Committee have to draw your attention in this connection to the remarks made by the Government in paragraph 7 of the Resolution regarding the observations made by the Tariff Board in respect of excise duty on Indian sugar The Committee take strong exception to these remarks of the Government whose relevance they are unable to appreciate As the Tariff Board was appointed to investigate into the position of the sugar industry and to determine the rate of protection for a further period of eight years, the Board were perfectly entitled to consider and refer to an important question relating to the industry such as that of excise duty. It was open to the Government to differ from the Tariff Board in regard to the necessity or effects of the excise duty but they cannot object to a consideration of this question by the Tariff Board The Government cannot surely contend that the imposition of a heavy excise duty has got no bearing on the position and development of the industry *vis a vis* the protection granted to it. The sugar industry as well as commercial bodies in the country have from time to time drawn the attention of the Government to the detrimental effects of the imposition of the excise duty on the industry The subject was, therefore, entirely within the scope of the Tariff Board and their consideration of it was legitimate and pertinent The Committee hold that the Tariff Board could not have given a complete picture of the sugar industry as they visualised it in order to determine the rate of protection for the remaining period, if they had omitted to give consideration to the incidence of the excise duty on the industry in relation to the level of protective duty required.

The Committee have further to draw attention to the tendency to shorten the period of protection by the Government on their own responsibility as compared to the recommendations contained in Tariff Board Reports. It is true that in the case of the sugar industry it is proposed to continue the protection for seven years, but the Government in this instance also have fixed the measure of protection for a

period of two years and propose a further investigation to be held in 1940 to enable a decision to be made as to the quantum of protection required for the remaining five years from April 1941. It is inexplicable why after such an elaborate and careful enquiry into the industry it is to be made to undergo another investigation within such a short time. Such periodical enquiries are bound to cause uncertainty and even apprehension in regard to the future course of protection to the industry. Similarly, in the case of paper industry it is proposed that the period of protection would be for three years only, towards the end of which period the question of protection will again be referred to a Tariff Board. The Committee do not at all approve of this policy whereby protection is being diminished and given for shorter period after considerable delay and procrastination. If it is desired to protect an industry adequately, then the protection given should be for a sufficiently long period of time. An industry might not be able to grow and establish itself and might even appear uneconomic in a short range view but if its establishment is essential in national interests, sufficient time must be allowed for its growth and development Hitherto the period has been about five to seven years, but in the present instances even this brief period is to be shortened through enquiries after every two or three years. The Committee feel that such action on the part of the Government is likely to defeat the object underlying the policy of protection and the Government must, therefore, reconsider the matter immediately.

The Committee have to reiterate in the end that the action taken by them on the recommendations of the Tariff Board as well as the manner and tone in which they have criticised the Report of the Tariff Board on sugar raise a fundamental question of the relationship of the Government with the Tariff Board. The Committee cannot help objecting to the propriety of the Government's attitude and action in this respect. The Tariff Board is a quasi-judicial independent body appointed by the Government themselves and has played an important part in the industrial and economic development of the country. It is highly objectionable that the Government should criticise the findings of this tribunal in the manner in which they have done. The Committee strongly feel that such criticism is calculated to influence the judgment of future Tariff Boards and make them hesitant and diffident in reviewing all the aspects of an industry and the whole question in all its bearings. This is particularly unfortunate for, as the Fiscal Commission pointed out "the successful working of the scheme of protection. .... depends on the existence of a thoroughly competent and impartial Tariff Board." "The Board must be one," the Fiscal Commission goes on to say, "which will command the confidence

of the country," but the Committee regret that by their action the Government themselves are undermining such confidence. The Committee request that the observations contained in this letter should receive the careful consideration of the Government of India especially because of the vital importance of a proper relationship between the Government and the Tariff Board on the future industrial development of India

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Telegram dated the 5th April, 1939, from the Chamber to the Government of India, Department of Commerce

Committee Indian Chamber of Commerce Calcutta invite reference to Tariff Boards Recommendation and Governments Resolution on Paper Industry. While Tariff Boards recommendations regarding fair selling price and works cost are themselves not applicable to Industry as a whole as they are based on figures of old established mills Committee strongly protest against Government proposal for further reduction of protection to Rupees 105 per ton as against Board's recommendation of about rupees 128 and against original effective protection of rupees 175. Such drastic reduction highly prejudicial to growing indigenous paper industry Owing large capital investment recently made in Industry and as new mills will take some time to effect economies which old mills could effect during fourteen years of protection. Committee strongly believe that original level of protection should be maintained. In any case protection should not be lower than rupees 140 per ton. Committee also take exception to Government reducing period of protection recommended by Board from seven to three years and postponing Enquiry into unprotected varieties for three years instead 1939 end as recommended by Board. Committee feel this would prolong uncertainty for mills venturing production of unprotected varieties. Committee emphatically urge enquiry into unprotected varieties of paper at earliest opportunity not later than 1939 end.

Letter No. 699, dated the 5th April, 1939, from the Chamber to the Government of India, Department of Commerce.

I am directed by the Committee of the Indian Chamber of Commerce, Calcutta, to invite reference to the Report submitted by the Tariff Board on the grant of protection to the Paper and Paper Pulp industries and the Resolution dated the 30th March, 1939 of the Government of India thereon.

The Committee would mention at the outset that the publication of the Report has been unduly delayed and very little time has been given to the public and the interests concerned to study the recommenda-

tions of the Board and the decisions of the Government on the same. The Committee would point out that the paper industry has been a growing one and with the new mills beginning to work, the total capacity of the Indian Paper Mills will by 1940-41 have increased to 95,600 tons and their probable output to 80,000 tons. The protection of Rs. 175/- per ton enjoyed by the Industry since 1931 has been largely instrumental in giving a fillip to the development of the industry. The removal of the surcharge of 3 pies per lb. in last June, however, reduced the protection to the industry to Rs. 140/- While the Committee of the Chamber believe that the Government of India acted with undue haste in removing the surcharge, they are greatly concerned to find that the Tariff Board has recommended a reduction of the protective duty to 11 pies per lb and the Government of India propose to reduce it still further to 9 pies per lb *i e.* Rs 105 per ton. The measure of protection to be granted to the industry is adjusted from the difference between the average price realised in the market less the import duty and the fair selling price The Committee would point out that the 1931 Tariff Board had fixed the fair selling price for Indian Paper at Rs 481 assuming that in the finished product a certain percentage would be represented by imported wood pulp and at Rs. 464 on the basis of bamboo pulp alone The Tariff Board has now estimated the fair selling price at Rs. 381 only The Committee have to point out that even after the economies effected in the industry and the cheaper cost of imported pulp are taken into consideration, no case has been made out by the Board to reduce the fair selling price by as much as Rs 100/- per ton for the industry as a whole, that is, for the old and the new mills and mills that are in a position to use bamboo and others that can use only grass The Committee regret that some of the details given by the earlier Tariff Boards how the fair selling price and the works cost have been arrived at are not given in the Report of the present Tariff Board The 1925 and 1931 Tariff Boards had estimated capitalisation at Rs 800 per ton which the present Board has reduced to Rs. 680 which in the opinion of the Committee is too low. The Board has based its estimate on the capital of new mills which is about Rs 40 lakhs with 6,000 tons capacity. The Committee would, however, point out that each of these mills have only one paper machine. The average production of older mills per machine has, however, not been more than 4,000 tons. Moreover, the theoretical estimate of 6,000 tons can be approached only if one kind of uniform paper is produced by the mill. In India the paper mills have to supply a large market demanding various kinds of paper. No mill can profitably stick to production of one kind of paper and every change of variety especially change of colours, necessarily involves waste of time and lessens production. It is therefore doubtful if one

paper machine can realise the theoretical output of 6,000 tons. The mills will therefore sooner or later have to instal another machine costing 6 to 8 lakhs and the capital cost will thus increase to Rs. 48 lakhs, the estimate arrived at by the 1925 and 1931 Tariff Boards for a 6,000 ton capacity plant which is regarded as an economic unit. The overhead charges including depreciation and profit will consequently rise and the fair selling price will also increase.

The Committee would further point out that the works cost had been estimated by the 1931 Tariff Board at Rs. 327 The Board in 1931 had also stated that when all possible economy will be effected the cost would amount to Rs. 300. Even the old established mills have now put the works cost at Rs 280 which the Committee believe is rather low. The present Tariff Board has therefore estimated it at Rs 278. The Committee feel it extremely doubtful if the cost can be fixed at Rs. 278 for the industry as a whole and they are surprised to note that the Government of India have still reduced it further by Rs 32 The Committee believe the cost of bleaching, selling expenses, insurance, rents, rates and taxes had already been included in works cost of Rs 327 arrived at by the 1931 Board and if these are not included in their calculation by the present Tariff Board there is every justification for their being added separately.

In the opinion of the Committee of this Chamber the fair selling price of Rs 378.3 arrived at by the Board is very low and the measure of protection of 11 pies per lb recommended by the Board is inadequate. The Committee therefore view with concern the further reduction of this protection to 9 pies per lb. or Rs. 105 per ton decided upon by the Government of India. In the opinion of the Committee of this Chamber such drastic reduction of protection from Rs. 175 to Rs. 105 within the course of a year is bound to prove prejudicial to the interest of the growing paper industry in the country. As it will take some time for the new mills to effect the economies which two or three old mills have been able to effect in 14 years of protection the Committee strongly believe that the original level of protection should have been maintained and the duty should not in any case be made lower than Rs. 140 per ton

The Committee would also point out here that the Board has stated that the Government should take special action to prevent the protective duty from being ineffective if the price of wood free printing paper falls below £18 per ton c.i.f. The Committee understand the present price for some cheaper variety has already fallen to £17 10*s*.

The Committee further take exception to the Government reducing the period of protection recommended by the Board from seven to three years. It need hardly be emphasised that if the industry is to benefit

from the protection, conditions of uncertainty should be avoided. Moreover, the Board has stated that the enquiry into the cases of unprotected varieties of paper should be made by the end of 1939 but the Government have decided that the same should be conducted after three years. Such a step, in the opinion of the Committee, would only prolong the uncertainty for mills intending to produce unprotected varieties. The Committee learn that one new mill has been recently designed to produce kraft paper and if the enquiry is delayed it will unnecessarily retard the progress of the industry in this direction. The Committee believe the enquiry into unprotected varieties should be undertaken at the earliest opportunity and in any case not later than the end of the year 1939

The Committee trust the views they have given above will receive the careful consideration of the Government.

PROPOSED CHANGES IN THE DAILY LIST OF EXPORTS

Copy of letter No. 85, dated the 5th April, 1939, from the Assistant Collector of Customs, Calcutta to the Chamber.

I have the honour to invite your attention to the summary of exports of a few important commodities published under the head "Manifests of Vessels Cleared" in the Daily List of Exports of 3rd April, 1939.

2. Similar summaries are published from time to time. As the Daily Lists are primarily intended for the publicaton of daily transactions and as details of all shipments arranged according to the vessel and the port of destination are published in full in the weekly "Detailed Lists of Manifests of Vessels" much ealier, the summary in the Daily List published long after the clearance of the vessel appears to be redundant. It is therefore proposed to discontinue publishing those abstracts in the Daily Lists of Exports. Before doing so however I shall be glad to know whether you have any objection to the adoption of this proposal

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Letter No. 737, dated the 22nd April, 1939, from the Chamber to the Assistant Collector of Customs for Statistics, Calcutta.

I am directed to refer to your letter No. 85 dated the 5th April 1939 regarding the proposal to discontinue publishing the abstracts of exports under the head "Manifests of Vessels Cleared" in the Daily List of Exports. The Committee have carefully considered the suggestion and would like to point out that although the summary in the Daily List is published long after the clearance of vessels, it is nevertheless useful for reference to those merchants who subscribe to the

Daily List only. If the publication of the summary in the Daily List is discontinued, the merchants will have to subscribe to the Weekly "Detailed Lists of Manifests of Vessels" in addition to the Daily List of Exports. In view of the fact that the subscription for the Weekly List is Rs. 300/- per annum it would mean a considerable hardship to the merchants to subscribe to the weekly list also.

The Committee therefore do not favour the proposal to discontinue publishing the summary of Manifests of Vessels cleared in the Daily List of Exports and suggest its publication as at present unless a suitable alteration is made in the amount of subscription to the daily as well as the weekly lists so as to avoid extra burden on persons who may have to subscribe to both in case the proposal is given effect to. The Committee shall be glad to be informed that the proposal is dropped.

IMPORT DUTY ON CRYOLITE.

Letter No 758, dated the 24th April, 1939, from the Chamber to the Government of India, Department of Commerce.

The attention of the Committee has been drawn to a representation made to the Hon'ble the Commerce Member by the Aluminium Corporation of India Limited regarding exemption of Cryolite from import duty. As pointed out in the said representation, the admixture of cryolite with aluminium oxide is almost indispensable and cryolite forms one of the important items of expenditure in connection with the manufacturing of aluminium. In view of the large possibilities of development of the aluminium industry, the Committee support the representation of the Aluminium Corporation for exemption of Cryolite from payment of import duty at least for a few years so that the industry may be able to establish itself on a solid foundation in competition with foreign manufacturers. The Committee would particularly like to point out that in making this request, they are not asking the Government of India to suffer any losses as, so far as their information goes, Cryolite is not being imported at present on any commercial basis or in any appreciable quantity The Committee trust that the Government of India will have no objection to accede to the request of the Aluminium Corporation of India.

Copy of letter No. 6-T(3)/39, dated the 27th July, 1939, from the Government of India, Department of Commerce to the Chamber.

SUBJECT: Manufacture of aluminium in India.

With reference to your letter No 758 dated the 24th April, 1939, on the above subject, I am directed to say that cryolite has been exempted

from payment of import duty under the Finance Department (Central Revenues) Notification No. 36 dated the 24th June 1939 (copy enclosed)*

PROCEDURE OF WEIGHMENT OF CARGO.

Letter No. 902, dated the 17th May, 1939, from the Chamber to the Collector of Customs, Calcutta.

The attention of the Committee has been drawn to the fact that whereas previously the customs authorities used to assess duties on weighment of a certain percentage of the consignments allowing the goods to be cleared on weighment of such percentage, they have recently adopted the practice of weighing the whole consignment for the purpose of assessing duty The Committee are informed that this procedure has put the merchants to great inconvenience as the clearance of the consignments is considerably delayed This delay in clearance not only involves merchants in additional Port Commissioners' charges but also in loss of business The Committee shall be glad to be enlightened as to the reasons which have necessitated the change in the system of weighment and assessment and the steps taken to avoid unnecessary delay in the clearance of goods.

An early reply will oblige.

Copy of letter No. 1601, dated the 29th May, 1939, from the Collector of Customs, Calcutta to the Chamber.

I have the honour to refer to your letter No. 902 dated the 17th May, 1939.

2. I regret that you have been mis-informed about our procedure for weighment cargo.

3. Where a declaration of weight is given in the Bill of entry it is not necessary for the importer, unless he desires, to have the consignment weighed in full. A percentage weighment is made to check the declaration, but the importer has the option of demanding full weighment.

4. Your attention is invited to Section 29, Sea Customs Act, under which a true declaration of quantity must be subscribed by the importer in the bill of entry The intention of the new procedure framed was to prevent laxity in this respect. Delays are not likely to occur if the importers give correct declarations.

Letter No. 1034, dated the 30th May, 1939, from the Chamber to the Collector of Customs, Calcutta.

I am directed to thank you for your letter No. 1601, dated the 29th May 1939 and for the information conveyed therein. I note that

some "new procedure" has been adopted "to prevent laxity" and in order to enable the Committee to appreciate the difference between the old and the new procedure, I am to request you to kindly enlighten me as to the exact nature of the previous and the revised arrangement regarding weighment of cargo for purposes of assessment of duty.

An early reply will oblige.

Copy of letter No. 2064, dated the 15th June, 1939, from the Collector of Customs, Calcutta to the Chamber.

I have the honour to refer to your letter No. 1034 dated the 30th May, 1939.

2. According to the practice followed previously the importer was not called upon to declare the weight in the first instance of weighment cargo from the Far East A percentage of the consignment was weighed and by an extension the total weight was deduced This calculated weight was then declared and formed the basis for assessment.

3. The present practice is to insist upon a declaration in the Bill of Entry of the weight of the consignment supported by documents wherever necessary, in other words, the normal procedure as followed for other cargoes has been introduced for weighment cargoes from the Far East A check weighment is made in order to verify the declaration which, if within the percentage of tolerance allowed, forms the basis for taking duty. The importer if he is not satisfied with the result of a check weighment may ask for the weighment of a further percentage, or he may, if he so desires, have the whole consignment weighed. The usual tolerance of 1% for excess weight is permitted, but the Assistant Collector has been given discretion to extend it to 3% Every Case in which the declaration of weight is claimed to be erroneous or based upon faulty documents is treated on its own merits.

ASSESSMENT OF PIECE-GOODS ON MARKET VALUE BASIS

Copy of letter No. 25(Con.), dated the 2nd May, 1939, from the Collector of Customs, Calcutta, to the Chamber.

Assessment of piece-goods on market value basis.

It has been suggested that in view of the difficulty of ascertaining the market value of piece-goods for purposes of assessment to duty under Section 30(*a*) of the Sea Customs Act, the existing list of classes of piece-goods which are so assessed should be reduced and all classes of which the wholesale cash price is not readily ascertainable, owing to the absence of a continuous market or other reasons, should be removed

from the list and assessed under Section 30(*b*). I enclose a copy of the existing list* and should be grateful if you would let me have your opinion in the matter and your suggestions as to the items which could be removed for assessment under Section 30(*b*). I would also be glad to know whether you consider that any differentiation could be made between different brands and numbers of the same classes of goods. If you think that assessment would be facilitated by some brands being kept on the list and some being removed and that the position of the market would justify this course, your suggestions in this behalf would also be welcome.

2. I shall appreciate your co-operation in this matter which is important to the interests not only of Government but also of importers themselves.

SUPPLY OF QUOTATIONS OF MARKET VALUE OF PIECE-GOODS.

Copy of letter No. 801, dated the 4th May, 1939, from the Collector of Customs, Calcutta to the Chamber.

Piece-goods—Assessment on market value.

I have the honour to say that some of the Chambers of Commerce have kindly agreed to supply, either at weekly intervals or if possible more frequently, quotations of market values of piece-goods to assist the Appraisers of this Custom House to ascertain the correct market value for purposes of assessment.

2. I propose to furnish those Chambers which agree to co-operate in this matter with printed lists containing particulars of the various lines of piece-goods for which there is a continuous market with blank columns for the range of wholesale market values and the dates when such values were ruling to be filled in, so far as information in respect of each line is available, by the Chamber. I enclose a specimen copy of the proposed list,* as drawn up in this office, and I shall be obliged if you will kindly let me know whether your Chamber will be able and willing to furnish the particulars required therein, and if so at what intervals. Any suggestions or comments in regard to the proposed list will be appreciated.

UNECONOMIC COMPETITION BY FOREIGN STARCH MANUFACTURERS.

Telegram dated the 5th May, 1939, from the Chamber to the Government of India, Department of Commerce.

Committee Indian Chamber of Commerce Calcutta invite attention to abnormal price cutting in Indian market by foreign starch suppliers amounting unfair competition Foreign suppliers selling starch at

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*Not printed.

prices which hardly cover cost of raw material in India Committee earnestly urge take immediate action prevent uneconomic competition in interests of newly started Indian Starch Industry

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Letter No. 868, dated the 11th May, 1939, from the Chamber to the Government of India, Department of Commerce.

Re: Uneconomic competition by foreign starch manufacturers.

In continuation of my telegram of the 5th instant on the above subject (copy enclosed) I am directed by the Committee of the Indian Chamber of Commerce, Calcutta to place before you the following facts regarding the serious situation with which the Indian Starch Industry finds itself faced as a result of uneconomic competition by suppliers of foreign starch.

Starch is used in a number of industries as an important aid in the process of manufacture, for example, in the textile industry as a principal ingredient in sizing cotton yarn and in finishing cotton fabrics; in the paper industry for sizing paper; in certain pharmaceutical and toilet manufactures as a principal ingredient, in the manufacture of adhesives and in the preparation of confectionery, biscuits and other sweet dishes The total import of starch into India during the last three financial years has averaged about 765,000 cwts, valued at over 50 lacs of rupees per annum. Although starch occurs in the cells of many plants, principally maize, wheat, rice and potatoes, commercial starch is manufactured mainly from maize. India produces over 2 million tons of maize every year, and all the circumstances necessary for the manufacture of starch *viz.*, raw material, adequate supply of labour and an assured market obtain within the country.

Prior to the year 1937, there was no factory for the manufacture of starch in India It was in the beginning of that year that two concerns were registered and orders for machinery were placed by them during the latter part of the same year. Both these factories are at present working and their existing capacity is about 7,500 tons or 1,50,000 cwts. of starch per annum. It is understood that a third factory is also to be started shortly. The Committee are convinced that if the foreign manufacturers be prevented from dumping starch into this country, the industry will soon develop and India will, at an early date, become self-sufficient as regards this commodity which is an essential requirement in many important industries.

Unfortunately, however, the foreign interests who are non-British and who have so far been monopolising the Indian market, started a severe rate-cutting simultaneously with the establishment of the fac-

tories in India. Now that starch of Indian manufacture has come in the market, they have resorted to a very unfair and uneconomic competition amounting to dumping as will be evident from the facts and figures given below. During the year 1937, before the Indian factories came into existence, foreign suppliers used to sell starch in the Indian market at Rs. 10/4/- per cwt The price of maize in the Indian market during the year was about Rs 2/6/- per cwt Although during 1936, the price of foreign starch touched the low figure of about Rs. 7/8/- per cwt , it was due to the effects of the abnormal slump in the prices of agricultural commodities. The price of maize in the Indian market, for example, during that year was about Rs 1/6/- per cwt. With the return of normal conditions, the foreign starch interests raised their price during the following year, as pointed out above, to Rs. 10/4/- per cwt. Then, on the two Indian companies for the manufacture of starch having been floated, the price of foreign starch in the Indian market was reduced to about Rs. 9/4/- per cwt , the price of maize during the corresponding period in the United States of America, which is one of the important starch manufacturing countries, being 57 cents per bushel of 60 lbs , *i e* , about Rs. 3/1/6 per cwt. With the arrival of machineries and the erection of Indian factories during 1938, the price of foreign starch was continuously brought down till in September 1938 when the first Indian factory started working, it was reduced to Rs. 7/2/- per cwt. With the coming of Indian starch in the market, this price has now been further reduced to Rs 6/12/- per cwt. only. It may be mentioned that the price of maize in the United States of America is reported to have come down only by about 5½ annas per cwt as compared with the earlier part of 1938 whereas the price of starch during the same period was lowered by more than Rs. 2/8/- per cwt.

The present selling price of Rs. 6/12/- per cwt. for foreign starch in India is inclusive not only of the import duty of 15% *ad valorem* but also of selling commission, transport charges and other expenditure incurred by the foreign suppliers The duty-free price, but including selling commission and other charges, of foreign starch at Indian ports is thus about Rs. 5/13/- per cwt. It has already been pointed out above that the present price of maize in foreign markets is about Rs. 2/12/- per cwt. As two cwts. of maize is ordinarily required to produce one cwt. of starch, it will be seen that the present duty-free selling price of foreign starch at Indian ports hardly covers even the cost of the raw material after allowing for other necessary expenditure like selling commission, transport etc. It is thus obvious that foreign manufacturers are resorting to a severe price-cutting and dumping in order obviously to prevent the Indian industry from being established

in the country The Committee need hardly emphasise that under such circumstances, it is impossible for the Indian industry to compete with foreign manufacturers with all their organisation, trade connections, large resources and a strong hold over the market which the latter possess. Unless adequate steps are taken by the Government, the industry will have no other alternative than to close down. The Committee would, therefore, strongly urge the Government of India to take immediate action in the matter in order to prevent the infant Indian industry from coming to grief and being wiped out entirely by powerful foreign competition The Committee suggest that the Government should immediately impose a specific anti-dumping duty, in addition to the ordinary import duty of 15% *ad valorem*, on all foreign imports of starch.

In order to arrive at a reasonable figure in respect of the specific anti-dumping duty which the Committee suggest and also to enable the Government of India to have an idea of the extent to which foreign competitors are resorting to uneconomic price-cutting, the Committee would like to give a few facts for determining the fair selling price of Indian starch The present price of maize in the Indian market is about Rs. 3/2/- per cwt. and as such the cost of the raw material alone amounts to Rs 6/4/- per cwt. of starch In addition to this, the cost of manufacture is about Rs 2/- per cwt selling commission at 3½%, *i e*, about 4 annas per cwt and depreciation at 5% on block amounts to 4 annas per cwt. In order to allow for a reasonable profit on block at 10%, another 8 annas per cwt. is to be added to the cost price, thus bringing the total cost of production including profit to be Rs 9/4/- per cwt Allowing for a deduction of about 12 annas per cwt. as the price of by-products realised namely of maize oil, oil cakes and bran, it will be seen that the fair selling price for Indian starch would be about Rs 8/8/- per cwt. This is about Rs. 1/12/- per cwt. higher than the price at which foreign starch is being sold in the Indian market at present. The Committee therefore strongly urge the Government of India to impose in addition to the existing import duty of 15% a specific anti-dumping duty of Rs. 2/- per cwt. on the import of foreign starch a slightly higher figure being necessary to safeguard against further price-cutting by foreign manufacturers and to provide for a margin of safety for the nascent indigenous industry.

The suggested rate of anti-dumping duty may, at first sight, appear to be high but it will be realised that this is necessitated by the fact that deliberate attempts are being made for dumping foreign starch in the Indian market in order to oust the indigenous manufacturers. As pointed out above, India produces over 2 million tons of maize per annum. Maize is a monsoon crop and on the same land winter crop can and is grown. This crop is therefore, a source of great

strength to the cultivator in several parts of the country. But maize is not an exportable crop and it is therefore in the interests of the agriculturists that the industrial use of this commodity should be encouraged within the country. Moreover, the maize plant is one of the fodder crops of India and is thus of considerable help in the feeding of cattle. It is, therefore, apparent that any setback to the growing starch industry of India, would be harmful to the rural economy of the country and would be detrimental to all interests concerned.

It is also well known that once the indigenous manufacturer is ousted from the market, foreign manufacturers will raise their price again to the detriment of the consumer. This is obvious from the fact that before the coming into existence of the Indian starch industry, the consumers were being made to pay Rs. 10/4/- per cwt. But now even after the imposition of the suggested specific duty, the price would remain below Rs. 9/- per cwt. subject to the fluctuations in the price of maize It is therefore not only in the interests of those actually engaged in the manufacture of starch but also in the interests of the large number of producers of the raw material and labourers as well as in the interests of the consumers that foreign suppliers should be prevented from resorting to unfair competition and from dumping their products in India at uneconomic prices It may also be pointed out that starch forms one of the essential requirements of several important industries like textile, paper, pharmaceuticals etc. and in the present state of international tension and an imminent possibility of a world war, it is all the more desirable that the production of this commodity within the country should be encouraged as far as possible. The Committee, therefore, trust that the Government of India will take immediate action in the matter and impose a specific anti-dumping duty of Rs. 2/- per cwt. or an equivalent *ad valorem* duty on the import of foreign starch into the country in addition to the existing import duty of 15 per cent.

Letter No. 1041, dated the 31st May, 1939, from the Chamber to the Government of India, Department of Commerce.

Re: Dumping of foreign starch into India.

I am directed to refer to my letter No. 868 dated the 11th May 1939 addressed to you on the above subject. The Committee trust that from a perusal of the facts and figures given therein, the Government are satisfied about the immediate necessity of taking early steps to prevent the dumping of starch into India by foreign manufacturers. The effect of the rate-cutting has already been to compel one factory to curtail its production and to work only four days in a week instead of six days. To the extent that the manufacture is still being carried

on, it is being maintained at a great loss in order to keep the industry going in the hope that the Government of India will come to its aid at an early date. Obviously, however, this process cannot continue for a long time.

The Committee emphatically and earnestly urge that if Government feel that they cannot take the necessary steps without placing the matter before the legislature, the Government will be pleased to introduce the measure as soon as the legislature next meets. The Committee feel convinced that the case that has been made out is so strong that an enquiry by a Tariff Board may be dispensed with at this stage to avoid delay. In case, however, it be felt that an enquiry by the Tariff Board cannot be dispensed with, the Committee submit that a Board may be constituted without delay and that it may be asked to submit its report—or at least its interim report—in good time to enable the Government of India to introduce legislation when the Assembly meets for the next autumn session.

The Committee will be obliged if the Government will kindly let them have an early reply as regards the action taken in the matter.

Letter No. 1346, dated the 10th July, 1939, from the Chamber to the Government of India, Department of Commerce.

In continuation of my letter No. 1041 dated the 31st May 1939 regarding dumping of foreign starch into India, I beg to inform you that since then a communication has been received from the Pearl Products Co., Ltd. of Cawnpore, manufacturers of starch, in which they have also signified their agreement with the views that were expressed by the Committee in their representation and have accorded their wholehearted support to that representation. The Committee understand that they have been manufacturing starch but they have not been able to work continuously and had to stop working off and on because of competition. The Committee further understand that their existing production is almost 125 tons per month only but that additional machinery ordered by them in the beginning of the year is expected to arrive by the end of this month. The Committee presume the Pearl Products will address the Government direct in detail.

In this connection, I am desired by my Committee to refer to certain comments that have appeared in the press regarding the claim of the Indian Starch Industry to protection. Doubts have been expressed as regards the existence of any starch industry worth the name in India. In the previous representation which the Committee made they had mentioned two factories one at Rangoon and the other at Abdullapur in the Punjab. They had also made clear that so far as the factory at Rangoon was concerned, although it was put up in

Burma, according to the original plan in view of large available supplies of maize in the neighbourhood it was wholly controlled, managed and owned by Indians and the output was also marketed in India. Apart from these, the Committee have already pointed out in the first paragraph about another factory at Cawnpore. They further understand that there is another small factory in the Punjab. Since the Commiteee last wrote to you, they also understand that the proposal about the factory to be erected at Ahmedabad has advanced further and the factory is in course of construction. No doubt, the present capacity of the existing factories is not sufficient to meet the total yearly requirements of the country and what the Committee would like to stress is that unless steps are taken by the Government of India to protect the industry, even the existing factories will have to close down, on account of uneconomic prices brought about by unfair competition from foreign suppliers The fact remains that as soon as Indian capital began to be invested in the starch industry, the price of foreign starch came down until it reached a level at which, as shown by the Chamber, it hardly covered even the cost of the raw material. The Committee believe that if assistance is given to the industry at this stage, it will develop much faster than it has hitherto, and within a few years, be in a position to satisfy the entire demand for starch in the country. It need hardly be pointed out that in the face of such competition from large foreign combines, it is difficult for any new venture in the country to survive long and hence the argument of the existence of an already grown up industry prior to the demand for protection is not tenable.

As regards consumers' interests, the Committee have already pointed out that if protection is not given to the starch industry at present, the consumers will also stand to lose when, in the absence of any indigenous competitor, the prices of foreign starch are again raised. The Committee had also made it clear that the suggestion for an additional duty of Rs. 2/- per cwt. which they had made is also not likely to involve any undue or additional burden on the consumer when it is remembered that only about two years ago foreign starch was selling at about Rs. 10/- per cwt. whereas on the basis of the suggested protective duty, the price of starch might come to about Rs 8/12/- per cwt. according to present prices.

It has also been suggested that India is importing starch from different countries and it could not have been possible for all these to unite in dumping their product in this country. The Committee may, however, point out that although starch is imported from different countries, about 65% of he total imports are made through a common source and it can be easily seen that the price of the remaining small

quantity of imports is also regulated according to prices of the major imports. The Committee therefore reiterate their request for an early action by the Government of India on the lines suggested by them.

EXPORT SUBSIDIES TO LANCASHIRE GOODS.

Telegram dated the 10th May, 1939, from the Chamber to the Government of India, Department of Commerce.

Committee Indian Chamber Calcutta invite Governments attention to Reuter message eighth May regarding meeting of Lancashire textile manufacturers deputation with Mr Oliver Stanley President Board of Trade and imminent possibility of United Kingdom Government subsidising Lancashire exports. Such subsidy bound to be further blow to Indian textile industry Committee request information what action Government of India taking to safeguard Indian interests.

Copy of letter No. 341-T(5)/39, dated the 25th May, 1939, from the Government of India, Department of Commerce to the Chamber.

SUBJECT: Possibility of the grant of a subsidy to aid export of United Kingdom piece-goods

With reference to your telegram dated the 10th May 1939 on the above subject, I am directed to say that enquiries are being made in the matter and the result will be communicated to your Chamber in due course.

Copy of letter No. 341-T(5)/39, dated the 21st August, 1939, from the Government of India, Department of Commerce, to the Chamber.

SUBJECT: Subsidy to aid export of United Kingdom Piece-goods.

I am directed to refer to the correspondence ending with my letter, No 341-T(5)/39, dated the 25th May 1939, on the above subject, and to say that enquiries have shown that no subsidy has been given to the Cotton Industry in the United Kingdom so far.

RENEWAL OF THE INDO-JAPANESE TRADE CONVENTION AND PROTOCOL, 1937.

Copy of letter No. 1096(8)-Com., dated the 30th March, 1939, from the Government of Bengal, Department of Commerce and Labour to the Chamber.

I am directed to say that the Convention and Protocol regarding the commercial relations between India and Japan which were signed on the 12th October, 1937 cease to be effective after the 31st March,

1940 The Government of India have now under consideration the desirability of renewing the Convention and Protocol either as they stand, or in a modified form, or of negotiating an entirely new agreement.

I am to request that any opinion your Chamber may wish to offer in the light of the experience of the existing agreement as to the lines on which modification or amendment appears to be desirable may be submitted to this Government by the 15th April, 1939, at the latest.

Letter No. 961, dated the 22nd May, 1939, from the Chamber to the Government of Bengal, Department of Commerce and Labour.

I am directed by the Committee of the Indian Chamber of Commerce, Calcutta to refer to your letter No. 1096(8)-Com. of 30th March 1939 asking for the views of the Chamber as to the lines on which modification or amendment of the existing Indo-Japanese Trade Convention and Protocol should be made. The Committee would like to state that the time allowed to them for the submission of their views was very short and inadequate particularly in relation to the importance of the subject and hence it was not possible for them to send the reply within the time limit allowed. The Committee trust however, that their views will be duly conveyed to the Government of India for their consideration.

At the outset, the Committee submit that any trade convention that may now be concluded with Japan should not be confined merely to the question of the exchange of cotton and cotton piece-goods but should include within its scope not only the total trade but also other important questions relating to trade and general relationship between the two countries A perusal of the figures of the annual imports from Japan would show that although the import of piece-goods from that country into India forms one of the important items of the total trade, it does not amount to more than one-third of the total imports. Thus out of the total imports of the value of about Rs 21 to 22 crores respectively during the years 1936-37 and 1937-38, the imports of piece-goods accounted for only Rs. 7½ and 6½ crores respectively. A large proportion of the imports from Japan consists at present of various manufactured articles which have owing to the various methods employed by Japan to further her export trade, such as depreciation of currency, subsidies to shipping etc., adversely affected many of India's growing industries. It is therefore essential that the agreement should include within its scope the regulation of the total imports from Japan and not merely of piece-goods as hitherto.

On the other hand, in the absence of a definite policy hitherto followed by the Government of India to encourage Indian exports of either produce or manufactured articles the exports of goods or articles

other than raw cotton which Japan requires to keep her textile industry going, have not been more than Rs 3 to 4 crores per annum as against the total average exports of about Rs. 23 crores from India to Japan during the three years from 1935-36 to 1937-38 The large favourable trade balance which India used to have during the pre-war and even the post-war years upto 1929-30, has been slowly diminishing during the last decade. Thus, whereas the average favourable balance of trade during the ten pre-war years ending 1913-14 was about Rs. 72 crores and during the ten post-war years ending 1929-30 about Rs. 83 crores, during the last two years it has been reduced to Rs. 16 crores only that is, about one-fifth of the former figures During the days of comparatively free international trade, India was able to maintain her exports surplus owing to the fact that most of the industrial countries of the world wanted raw produce for their industries, and India, apart from being a large producer of such commodities, held a monopoly in some of them such as Jute. However, during the last decade when almost all countries in the world have been pursuing vigorous economic policies of national self-sufficiency and strict control of foreign trade to secure that end, India's export trade has naturally fallen considerably in the absence of any active support from the Government. But the Committee need hardly invite Government's attention to the fact that the present economic relationship between the United Kingdom and India makes it essential for the latter to have a large favourable balance of trade in order to meet her yearly obligations to the former. Thus both in the interests of the producers of agricultural commodities and for the sake of financing India's annual payments, it is essential that the Government of India should now pursue an active policy of fostering the development of India's export trade.

A striking feature of the import trade from Japan as pointed out above is that apart from a substantial quantity of piece-goods, the major portion of the imports from Japan belongs to the category of "miscellaneous" articles. These imports have prejudicially affected many of India's small and minor industries, whether old or newly established. During the course of their various representations to the Government of India on the subject of protection of minor industries and the resumption of the enquiry in this matter which was suspended by the Government of India in November 1937, the Committee gave instances of several small industries which were badly hit by Japanese competition, such as, pottery, toilet soap, cotton tapes, slate manufacturing industry etc. The Development of earthenware, porcelain and glass and glassware industries is also considerably handicapped by competition from cheap Japanese articles. Such competition is being felt in the case of many other small industries which it is difficult to

enumerate as in most cases the industries are unorganised and hence no adequate data is easily available The Committee regret that the Enquiry into the position of minor industries which was started by the Government of India in June 1937 after repeated representations from the Indian commercial community, was suspended before it was completed and a very good opportunity of collecting evidence of the effect of Japanese competition on such industries was needlessly lost. The Committee have throughout been insisting on the resumption of the enquiry and they are of the opinion that there is still time, if the enquiry is immediately reinstituted, for sufficient material to be gathered and made available to the Government of India during the course of the actual negotiations The Committee regret that the attitude of the Government of India in this matter has throughout been dilatory. As far back as 1933 at the time of the then negotiations for an Indo-Japanese Trade Agreement, the matter was brought to the notice of the Government by the un-official advisers as also at the time of the negotiations in 1936. The Government of India, however, did not agree to bring this question of the effect of Japanese imports on minor industries within the purview of the negotiations but promised a departmental enquiry. The Committee trust that during the course of the impending negotiations, the interests of the small industries of the country will be adequately safeguarded.

Another important aspect of the Indo-Japanese trade relations which should be brought within the purview of the impending trade negotiations with Japan is that of shipping employed in the trade. The principle of assistance to national shipping by the use of trade agreements on the basis of purchasing power and market has been recognised and in more than one trade agreement such as the Anglo-Soviet Treaty of 1936 and the British Government's trade agreement with Lithuania this principle was given effect to at the instance of the British shipping interests The Governments of Germany and Italy now buy a large and increasing proportion of their national imports and require the shipment of such purchases in national vessels. The Soviet Government which owns all Russian shipping carry 82% of all Russian imports in their vessels. It is thus evident that trade agreements and trade arrangements have become an instrument for ensuring a share in the shipping to the country which provides the market and the bargaining power of India on the basis of India's market should be utilised for the purpose of securing expansion and development of Indian shipping in this sphere of India's overseas trade

It may be recalled that the British shipping interests demanded during the Indo-Japanese Trade negotiations in 1936 that advantage should be taken of these negotiations to safeguard the participation of

British shipping in this sphere of maritime trade and to re-establish its position which was menaced by Japanese competition. The Government of India turned down this claim on the ground that the so called "Empire" or British shipping concerned in this trade did not include Indian shipping. The Imperial Shipping Committee which considered the position of British shipping in the Orient, have dealt at some length in their recent Report with this aspect of the question and have recognised the strength of Indian feeling and the legitimacy of Indian demand on the subject of the develpoment of an Indian mercantile marine. They acknowledge, for instance, that there can be no question that "if there is to be the sense of partnership between the shipowner and the mercantile community which is a condition of any effective competition with the Japanese in the Orient, there must be created in a greater degree than exists to-day a genuine interest in the mercantile marine of the Commonwealth". They further admit that "there is an initial distrust to be overcome" which is the result partly of competition between Indian and British shipping and they, therefore, stress that "the aspirations of India to enter into the field of shipping operations are natural and should be fairly met in a co-operative spirit by the United Kingdom lines". The Committee submit that the present negotiations provide a very suitable opportunity to British shipping for showing such a co-operative spirit and for the Government of India to implement their policy in regard to the participation of Indian shipping in the overseas trade of the country. In September 1937, the then Commerce Member of the Government of India acknowledged the acceptance by the Government of the principle that "India's bargaining power should be used for the furtherance of Indian interests". It is essential therefore, that provision should be made in the new Indo-Japanese Trade Agreement for an adequate participation of Indian shipping in the Indo-Japanese maritime trade which so far as raw cotton is concerned emanates from India and so far as piece-goods are concerned, depends on India's markets. It is true that at present Indian shipping does not participate in this trade for reasons into which it is unnecessary to dwell here. But it may be stated that if trade opportunities are provided by giving a reasonable share of the trade to Indian shipping and Indian ventures are prevented from being exterminated through uneconomic competition, the requisite tonnage would be available for the purpose of this maritime trade. The Imperial Shipping Committee point out that Japanese vessels carry to-day approximately 50% of the Calcutta trade and 80% of the Bombay trade between India and Japan and that their carriage of this trade has been steadily increasing. If this trade is to be recaptured from Japanese shipping by use of the trade agreement, as was urged by the British shipping interests during the last negotiations and as

was also done for British liner shipping trading between Australia and Japan through the efforts of the Government of Australia, then it is surely legitimate for Indian shipping to claim that this bargaining power should be utilised primarily to assist and encourage India's national shipping. The Committee do not propose to go into the various forms by which Indian shipping could be assisted to participate in this trade especially in view of the fact that some of the measures which have been outlined in the report of the Imperial Shipping Committee to help British shipping could be adopted in the case of Indian shipping also. The pre-requisite of any such arrangement, however, is a genuine and unqualified recognition of the legitimacy of the Indian demand for participation in this traffic and of a complete reversal in the attitude of British shipping towards such expansion of the shipping of a fellow-member of the British Commonwealth without whose co-operation it will not be possible for British shipping to meet the threat of Japanese competition. The Government of India who rightly rejected the demand of British shipping three years ago should now take a more positive and constructive attitude by securing for Indian shipping a definite and reasonable share in the Indo-Japanese trade as an integral part of the new trade agreement

Another important aspect of this question which should receive the serious consideration of the Government of India is the intrusion of Japanese shipping in the coastal trade of India. It may be recalled in this connection that at the time of the Indo-Japanese trade agreement in 1934, the Government of India asked for an undertaking from the Japanese Government that they would use their influence with the Japanese shipowners to refrain from participation in the Indian Coastal trade which includes the maritime trade between India, Burma and Ceylon since such participation would prejudicially affect the interests of coastal shipping engaged in this trade and which is adequate to meet its requirements. As a result of this undertaking, Japanese shipping refrained from further intrusion into the Indian coastal trade. But during the subsequent year or two, Japanese vessels again became active in that trade and particularly in trade between Ceylon and Indian ports and the attention of the Government of India was drawn more than once to this intrusion. It should be pointed out, however, that the Indo-Japanese trade agreement which was renewed in 1937 did not include any written provision nor any "gentleman's agreement" like the previous protocol about the intrusion of Japanese tonnage in the coastal trade. It was felt that this omission was unfortunate because such intrusion is not only detrimental to the interests of Indian shipping but is also likely to affect adversely the interests of Indian shippers and consignees. The combination of shipping with mercantile, industrial and financial organisations in Japan is a well known fact and it

has enabled Japanese merchants to dictate terms regarding the carriage of his cargo while assuring the Japanese ship-owner of traffic. The "Rengokai" namely the Cotton Spinners Association of Japan has become such a strong body as to enable the ownership of cotton exported from Bombay to pass into Japanese hands before it leaves India and has helped Japanese shipping to increase its share in the maritime trade between India and Japan. Moreover, a powerful Japanese firm, the Mitsui Bussan Kaisha, has competed keenly with the rubber merchants in Malaya owing to this combination of shipping with mercantile organisations and apprehensions were felt in India also a few years ago that the Japanese exporter having his own organisation for purchase and sale of commodities like rice, wheat etc might eliminate Indian merchants and dealers It is owing mainly to the Sino-Japanese war that Japanese participation in Indian waters has declined of late. But it is essential that reliance should not be placed on this temporary factor and a specific stipulation should be made in the new trade agreement precluding Japanese shipping from participating in the Indian coastal traffic as such. Such a demand is all the more justified because, apart from other reasons, the Japanese coastal trade itself is reserved by law to Japanese shipping.

The Committee would now refer to the question of trade in cotton and cotton manufactures which is the subject matter of the present Protocol between India and Japan The period during which the present Protocol has been in force was an abnormal one so far as Japan was concerned The Sino-Japanese hostilities affected the normal course of trade between the two countries for a considerable time and may be said to do so in certain respects even now. Japan's pre-occupation in a major conflict not only meant a curtailment of her normal industrial production but also retarded the movement of her goods to other countries as a result of a large proportion of Japan's merchant shipping being engaged in military transport. Moreover, as all other activity in Japan has to be subordinated to military needs the industrial and commercial life of that country was not normal In reviewing, therefore, the working of the present Indo-Japanese trade Protocol it has to be borne in mind that the period during which it has worked has not been one of normal trade activities for Japan and hence the figures of trade between the two countries cannot be taken to give a true picture of the working of the present agreement. The one fact, however, which is apparent from a perusal of the figures of the imports of cotton piece-goods from Japan and the exports of raw cotton from India to that country is that while imports of cotton piece-goods have been maintained at a fairly high level being considerably above the basic quota of 283 million yards in all the three immediately preceding

financial years, the offtake of raw cotton by Japan has been progressively falling.

The Committee would like to point out two other important factors which should be borne in mind while considering the revision of the present quota arrangement. While the production of Indian Mills has been increasing thereby necessitating a larger home market for indigenous goods the enforcement of the term of the new Indo-British Trade Agreement in spite of strong protests from the Indian commercial community and against the verdict of the Legislative Assembly has already had the effect of placing a substantial handicap in the way of the indigenous textile industry A larger market having thus been made available for Lancashire piece-goods in spite of the increase in Indian production, it is obvious that the basic quota for import of piece-goods from Japan should be considerably reduced from the present level of 283 million yards. The Committee would also like to point out that under the new arrangement the quota should be fixed on the basis of square yardage and not linear yardage as at present. It has been noticed that of late Japan has been exporting increasing quantities of piece-goods of wider width in order to circumvent the yardage quota imposed on her It is also suggested that the scope of the Protocol should be widened by providing for a limitation of imports of fents and also of cotton yarn from Japan which have considerably increased of late and both of which are adversely affecting the Indian textile industry. As regards the percentages in which the present quota is divided among different categories of piece-goods the Committee would suggest that as Indian textile mills are producing increasing quantities of coloured printed goods, the percentage of such goods to the total imports should be reduced from 20 to 10% particularly as it is a new line in the course of development. A similar reduction of at least 5% should be made in the case of bordered greys and this 15% quota may be distributed among fents, artificial silk and woollen manufactures and yarn all of which should be brought within the quota restrictions.

It may also be pointed out that as a result of additional taxation, increase in wages and the additional duty of ½ anna per lb. levied on all imports of raw cotton, the effective protection which the Indian textile industry enjoys has been considerably reduced and it is therefore essential that the rates of duty on the import of piece-goods and yarn should be substantially raised.

As regards the offtake of Indian cotton by Japan, the Committee are of opinion that in a new arrangement a specific provision should be made for a guaranteed offtake of a specified quantity of raw cotton by Japan every year It should also be provided that the purchase will include sufficient short staple cotton. Moreover, as the offtake

of raw cotton by Japan is the main item in India's export trade with that country, being about 80% of the total export, the stipulation about the export of raw cotton should be related to the total import trade with Japan and not only to the import of piece-goods which forms only a portion of Japan's total imports into India.

Another important point which should be borne in mind while considering the question of regulating and limiting the imports of piece-goods and other articles from Japan, is the fact that Japan has now come to control certain very important parts on the main land of Asia and unless the agreement specifically provides against such a contingency, Japan may circumvent the provisions of the new agreement by exporting merchandise from such places on the mainland which are under her control.

Before concluding, the Committee express the hope that the Government of India will associate with themselves during the course of the negotiations unofficial advisers representing the Indian commercial community and chosen in the same manner as on the last occasion namely through election by the Federation of Indian Chambers of Commerce and Industry.

Question of nominating a representative of Indian Shipping as Non-official Adviser in connection with the Indo-Japanese Trade Negotiations.

Telegram dated the 15th July, 1939, from the Chamber to the Government of India, Department of Commerce.

Committee Indian Chamber strongly urge that as Indian Shipping principally concerned in question of participation of shipping in Indo-Japanese Maritime Trade and vitally interested in Trade Negotiations Government should nominate a representative of Indian shipping as Un-official Adviser in consultation with Indian National Steamship-owners Association especially as Committee now find that British Shipping represented at negotiations through Associated Chambers

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Imports of Yarn from Japan.

Letter No. 2438, dated the 2nd December, 1939, from the Chamber to the Government of India, Department of Commerce.

I am directed by the Committee of the Indian Chamber of Commerce, Calcutta to invite your attention to the increasing imports of yarn from Japan. The Committee find that whereas India imported 14·6 million lbs. of twist and yarn of various descriptions from Japan in 1937-38, the imports for the year 1938-39 were 22 million lbs. and in the first quarter of the current financial year alone, yarn imports

from Japan increased by more than 100 per cent. than in the corresponding period of the previous year. The total imports of grey twist and yarn in which the Indian spinning industry is particularly interested amounted in the first quarter of this year to 5·6 million lbs. as compared to 2·5 million lbs. and 1·7 million lbs. in the corresponding periods of the years 1938-39 and 1937-38 respectively. These increasing imports have continued during the second quarter of the current year as the figures given below would show:—

	(July-August-September).
1937-38 . ..	3,281,974 lbs.
1938-39	2,533,502 lbs.
1939-40	7,086,782 lbs.

The Committee believe that the increased imports of Japanese yarns into the country are largely due to the doubled import duty of Rs. 50/- on cotton imposed by the Government of India since the commencement of this financial year. The Committee would mention that at the time this duty was doubled, the Textile Industry had strongly protested against the same and this Chamber also in their telegram about the Budget proposals of the Government had drawn attention of the Government to the adverse effects such a measure was likely to have on the textile industry. The Committee of this Chamber had also an occasion to address a telegram on the subject to the Government of India on the 7th August this year in which they had pointed out the handicap which the industry suffered due to the higher duty on cotton and the increasing imports of yarn from Japan.

The Committee need hardly emphasise that this alarming increase in the imports of Japanese yarn during the last two years have had serious repercussions on the yarn market of the country and have materially affected the spinning industry As early as August this year the Federation of Indian Chambers of Commerce and Industry found it necessary to suggest to the Government the need for taking action under Section 19 of the Sea Customs Act to check the growing imports of Japanese yarn and prevent the same from ruining the Indian Industry. The Committee of the Chamber would therefore emphatically urge that the Government of India in negotiating the fresh Indo-Japanese Trade Agreement should fix a definite quota on imports of Japanese yarn into this country. Such a measure, the Committee believe would go a long way in regulating the unrestricted imports of Japanese yarn into India.

The Committee would also stress here the necessity of the Government of India taking the unofficial advisers into confidence while the terms of the Protocol to the Indo-Japanese Trade Convention are being discussed with the representatives of Japan. As the Government would

appreciate, the textile industry and the cotton cultivators are materially interested in the terms of the Protocol and it would be advisable if the Government consulted the unofficial advisers before any agreement on that subject is arrived at.

The Committee trust the suggestions they have made above would receive careful consideration of the Government.

OFF-TAKE OF INDIAN COTTON BY UNITED KINGDOM.

Telegram dated the 25th November, 1939, from the Chamber to the Government of India, Department of Commerce.

In view of decreased exports of cotton to the Continent Committee Indian Chamber of Commerce urge Government to represent Home Government to arrange for taking larger quantities of cotton than stipulated in Indo-British Trade Agreement. British Government have purchased whole Egyptian crop moreover such measure essential as war conditions have restricted exportable cloth in United Kingdom Committee believe Indian agriculturists would be greatly helped by larger exports.

CONSULTATIONS BETWEEN THE GOVERNMENT OF INDIA AND THE REPRESENTATIVES OF THE GOVERNMENT OF BURMA REGARDING THE INDO-BURMA TRADE AGREEMENT.

Telegram dated the 17th July, 1939, from the Chamber to the Government of India, Department of Commerce.

Committee Indian Chamber of Commerce Calcutta learn from press reports that Government discussing with representatives of Burma Government whole question of Indo-Burma Trade Agreement with a view to modify its terms and improve its working. While welcoming this consultation Committee trust no final decision would be reached by Government rearding any modifications without prior and full consultation with Indian commercial community. Committee urge Government to publish immediately after consultation with Burma representatives full particulars of proposals discussed between two Governments.

ASSESSMENT OF CERTAIN VARIETIES OF PIECE-GOODS ON MARKET VALUE BASIS.

Letter No. 2439, dated the 2nd December, 1939, from the Chamber to the Collector of Customs, Calcutta.

The attention of the Committee of this Chamber has been drawn to a letter addressed by the Marwari Chamber of Commerce, Calcutta

to you on the subject of assessment of customs duty on piece-goods having assorted designs and colours. The Committee learn that it has been suggested that in view of the difficulty of obtaining market rates of these kinds of piece-goods in the absence of a continuous market therefor, these varieties of piece-goods should be charged on their invoice value instead of on the market value as at present. The Committee of this Chamber have also considered the matter but they learn that the difficulties about obtaining market rates for these kinds of piece-goods have been unnecessarily exaggerated. The Committee would further point out that in the absence of a continuous market, the necessity of having daily rates for these kinds of piece-goods does not arise. The Committee are therefore of opinion that the existing system of charging these piece-goods on their market value should be continued and no modification in the same is desirable.

The Committee would also invite your attention to the fact that the textile industry is a protected industry and it is advisable that imported piece-goods are charged on their market values The Committee are therefore not in favour of the suggestion made by the Marwari Chamber of Commerce in this connection.

PROPOSED CHANGES IN THE TARIFF CLASSIFICATION OF CERTAIN ARTICLES.

Copy of letter No. 11438, dated the 15th August, 1939, from the Director-General of Commercial Intelligence and Statistics, Calcutta to the Chamber.

Proposed changes in the tariff classification notified under the Government of India, Commerce Department Notification No. 73-T.(10)/38 dated the 17th December, 1938.

I enclose a statement* showing certain additions and alterations proposed in the existing tariff-valued heads These are for consideration at the time of the next annual revision of tariff values and I shall be obliged if your Chamber will kindly examine them meanwhile and furnish me with its views by the 15th September next.

Letter No. 1945, dated the 19th September, 1939, from the Chamber to the Director-General of Commercial Intelligence and Statistics.

With reference to your letter dated the 15th August, 1939, regarding proposed changes in the Tariff Classification of certain articles for consideration at the time of the next annual revision of tariff values, I am directed to offer the following remarks :—

Poppy seeds.—Although it is not difficult to obtain the price of poppy seeds whenever required, a tariff value may be assigned to it.

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*Not printed.

Nails, rose and deck —The Committee have no objection in subdividing different kinds of nails under different heads.

Aluminium sheets.—The alteration seems to be proposed under the impression that aluminium sheets polished, imported for manufacturing motor vehicles bodies are different from aluminium sheets, plain. However, the latter sheets which are not polished are the very sheets supplied and used by motor vehicle body builders. In fact no polished aluminium sheets are imported or used by motor vehicle body building trade in India Lithographic plates for printing are not aluminium sheets polished, though they are costlier than the plain aluminium sheets because of the requirement of a fine surface, free from defect. But plates for printing are imported in negligible quantities and there is no point in assessing them *ad valorem.* The Committee therefore are not in favour of the proposed amendment.

IMPORT DUTY ON BAKELITE MOULDING POWDER.

Letter No. 1943, dated the 19th September, 1939, from the Chamber to the Government of India, Department of Commerce.

I am directed by the Committee of the Indian Chamber of Commerce, Calcutta, to invite your attention to the incidence of duty on imports of artificial resin commonly known as bakelite moulding powder on the Bakelite Industry in India. The Committee would point out that about half a dozen factories have been recently established in India for manufacturing bakelite electrical goods and other bakelite goods for domestic requirements The chief ingredient of bakelite goods is bakelite moulding powder and the Committee understand that both the compression process and the system of injection with electrical heat are used. Bakelite goods are solely manufactured from the moulding powder and the Committee understand that the price of the powder forms as much as 80% of the cost of the finished goods. There is, however, an import duty as high as 25% *ad valorem* on the imports of bakelite moulding powder and the Committee find that the indigenous industry is placed at a great handicap in competing with foreign manufacturers on account of this duty. In view of the importance of the Bakelite Industry in the economy of the country the Committee would therefore request the Government to exempt bakelite moulding powder from import duty at least for a few years in order to allow the industry to stabilise and establish itself. The Committee trust the Government would give careful consideration to the matter.

Copy of letter No. F.49-T.(1)/39, dated the 9th October, 1939, from the Government of India, Department of Commerce to the Chamber.

SUBJECT: Import duty on Bakelite powder.

With reference to your letter No 1943, dated the 19th September, 1939, on the above subject, I am directed to say that the Government of India have given the matter their careful consideration but regret that they are unable to accede to your request to exempt bakelite moulding powder from import duty

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Letter No. 2359, dated the 11th November, 1939, from the Chamber to the Government of India, Department of Commerce.

I am directed to invite reference to your letter No F 49-T(1)/39, dated the 9th October, 1939, regarding import duty on Bakelite Powder. The Committee note that the Government of India have carefully considered the suggestion of this Chamber to exempt Bakelite Powder from import duty, but they are unable to accede to the request of the Chamber in this connection. The Committee are not aware of the reasons which made the Government to arrive at this decision, they would however point out that Bakelite Moulding Powder is the most important ingredient in the manufacture of bakelite goods The bakelite manufacturing industry has only been recently established in the country and there is a large scope and market in the country for bakelite electrical accessories and other goods for domestic requirements The Committee believe if the Government of India exempts Bakelite Moulding Powder from the import duty at the present time, the industry would receive an impetus and would soon be firmly established in the country. In view of the importance of this industry in the economy of the country, the Committee would therefore request you to kindly reconsider your decision in the matter. An early reply will oblige.

PROTECTION TO PACKING AND WRAPPING PAPER.

Letter No 1420, dated the 19th/20th July, 1939, from the Chamber to the Government of India, Department of Commerce.

I am directed to invite your attention to the necessity of granting adequate protection to the manufacture of packing and wrapping paper, including Kraft and Manilla and machine glazed paper including poster. The Committee would point out that the term 'Kraft' denotes a tough kind of packing paper made from chemical pulp in a highly specialised manner. India has been importing this paper since a long time from Scandinavia where this industry has been established since a number of years. In Sacandinavia there is a central organisation of

the industry known as Soankraft which controls the huge output of all the mills in the peninsula except two or three mills The 'Soankraft' or convention prices are usually higher than the prices of mills outside the Convention Since a few years past on account of extended uses of kraft paper, the manufacture of this kind of paper has also been started in various other countries. The industry has been established in England as also in America but the Committee understand these countries are not exporting kraft paper to India in large quantities.

The manufacture of paper in India on the other hand has been mostly confined till now to writing and printing paper Wrapping paper is produced only in small quantities for the use of the mills themselves Indian paper mills have therefore been mostly producing writing and printing paper which has been granted protection since 1925 and not the unprotected variety of paper such as Kraft and other packing and wrapping paper. The Committee understand that manufacture of wrapping paper has now been started by one paper mill in India but in an unprotected market they have to face keen competition from foreign countries and therefore find it extremely difficult to market their output.

The Committee are of the opinion that the manufacture of packing and wrapping paper in India should be granted adequate protection as the industry fulfills all the requirements for the grant of the same The most important raw material for the manufacture of paper on a large scale is bamboo and this raw material is available in large quantities at reasonable prices in the country. The Committee would point out that for the manufacture of kraft and several other kinds of paper bamboo is the most suitable material and not only experts have testified about the same but researches conducted at Dehradun and elsewhere have also confirmed this view. As early as 1931 in the evidence before the Tariff Board the Titaghur Paper Mills Co , Ltd., had referred to the encouraging results obtained in the experiments for the manufacture of kraft paper from bamboo and the Board also held the view that the production of kraft paper from bamboo pulp was possible in India. Moreover, the Indian Mill which has now started manufacturing this kind of paper also got certain experiments made in India and abroad and found that bamboo was a very satisfactory material for making kraft. Moreover there is a large market for this kind of paper in the country for India imports about 8,250 tons of kraft paper in a year, apart from the other kinds of packing and wrapping paper. The question of granting protection to the manufacture of kraft paper was considered by the Tariff Board in 1925 but they decided to exclude all packing and wrapping papers from the scope of the protective duties, mainly because they were not satisfied that the Indian Mills could pro-

duce from bamboo an article of a quality as good as imported kraft paper made from chemical wood pulp. The question was again considered by the 1931 Tariff Board but they also did not make any recommendation about this kind of paper for according to them "no information regarding the price at which such paper could be produced in India" was available and the Board was therefore not "in a position to estimate with any accuracy the measure of protection which may be required." The Tariff Board had however drawn the attention of the Mills to effecting improvements in methods and machinery rather than attempt an expansion of production at the risk of impairing the efficiency. In 1938 when the Tariff Board again considered the matter a detailed representation was made by the industry urging the extension of the scope of protection to kraft paper As the Indian Mill had however not yet commenced working at the time, the Tariff Board was unable to recommend the extension of protection to this class of paper unless they were satisfied that it could be manufactured in a fairly satisfactory quality at a reasonable price. The Board however felt that it was desirable to encourage the manufacture of all classes of paper including those which were at present unprotected and of which the most important kind according to them was wrapping and packing paper. The Board also stated that the prospects of manufacture of kraft paper were sufficiently promising to justify a further enquiry when the new mill had obtained a sufficiently long experience of manufacture to be able to present figures of the cost of production and to demonstrate that the quality was satisfactory. The Board had also remarked that if protection to the paper industry was to be continued it was advisable that it should be extended to all the classes of paper which Indian mills were capable of manufacturing satisfactorily at a price which would not put an unfair burden on the consumer. The Board had recommended that this enquiry which according to them was very essential should be held towards the end of 1939. The Committee regret to point out that the Government of India did not accept this recommendation and postponed such an enquiry for three years.

The Committee would further state that in the absence of protection, the Indian manufacturer can hardly even realise the actual works cost leaving aside the overhead charges and profits on the capital invested. The Indian mill in their representation to the Tariff Board had stated the fair selling price of kraft paper to be Rs. 445/- per ton. The estimates of the Tariff Board however regarding overhead charges and profit were lower and they placed the total cost per ton without profit at Rs. 349/-. This was based on a works cost of Rs. 288/- and overhead charges of Rs. 61/- per ton. The Board estimated the profit to be Rs. 40/- per ton and the fair selling price therefore according to them amounted to Rs. 389/- per ton. In the absence of any protection

to this kind of paper however the Indian mill has to sell its production at Rs. 280/- per ton in competition with imported kraft and this price is inclusive of freight, commission and other incidental charges. The Committee would further trace out how the prices of imported kraft have successively gone down since the Indian mill has commenced manufacturing this kind of paper. In 1937 the price for kraft stood at about £28 per ton In February 1938 when the Tariff Board's enquiry was in progress the Convention price stood at £22-10-0 per ton. By February 1939 it had declined to about £19/- and ranges today as low as £16/- while the non-Convention kraft is sold still cheaper at £13-10-0 per ton. The Committee are afraid even still lower price will be obtained for kraft paper in this year.

The Committee need hardly point out that but for the protection to the extent granted to the paper industry till now, the industry could hardly have developed to the proportions found today. The original protection granted to the industry was Rs 140/- per ton which as a result of the revenue surcharge was increased to Rs 175/- per ton and remained at this figure till last year. The Committee feel that when the claims of the kraft paper for protection are considered the measure of protection ought not to be determined on the basis of protection granted to printing and writing paper at present. The production of printing and writing paper has reached the level at which it stands at present after years of experimentation and the Committee are of the opinion that kraft paper should not begin where white printing paper stands today There are also certain technical problems to be solved before the manufacture of bamboo kraft could be developed to the standard of Scandinavian pine kraft and their solution requires apart from other things, an outlay of money which the industry cannot afford to spend at present unless it is assured of the future. The Committee need hardly mention that these problems nevertheless are capable of being solved if the industry is given a chance to stabilise.

The Committee would also point out that the paper industry has now developed and made steady progress both in respect of output and efficiency New mills have started working since a few years and the productive capacity of the industry has also considerably gone up. The Committee therefore feel that it is desirable that the industry should also concentrate on the production of other classes of paper which are not enjoying protection at present Moreover, the international situation also makes it essential that the production of paper in India should be diversified and India should not depend on foreign countries for her supplies of an article like paper. In 1938-39 the total value of imports of paper and pasteboards was Rs. 322 lakhs of which 67 lakhs represented the value of packing and wrapping paper alone. The total quantity of kraft imported was about 8,250 tons and the normal requirements

at present may be judged to be 8,000 tons The Committee understand that the Indian mill which has started production of kraft is in a position to produce all the requirements of the country and there is no reason why Scandinavian kraft should be allowed to enter into the country and endanger the existence of the one Indian unit which has ventured into production of this class of paper. The Committee further understand that there are other varieties of wrapping paper which can also be made in India if proper encouragement is given by way of protection. In view of the importance of the development of this industry, the Committee therefore would request the Government to take early steps to grant adequate protection to packing and wrapping paper as also to all machine glazed paper, and amend the Tariff Schedule accordingly in order to save the Indian mill from being eliminated by foreign competition. The Committee would suggest that the other qualities of packing and wrapping paper should also be granted protection so that the production of paper in India may be diversified and not concentrated merely on writing and printing paper.

The Committee understand that a representation has been addressed by Messrs. Orient Paper Mills to the Government of India in this connection and the Committee are in agreement with the plea made by them in this connection. In view of the importance of the matter, the Committee trust it would receive your early attention.

CUSTOMS DUTY ON CERTAIN VARIETY OF MANILA FIBRE.

Letter No. 2114, dated the 10th/11th October, 1939, from the Chamber to the Central Board of Revenue.

The attention of the Committee of the Chamber has been drawn to the fact that a certain fibre known as CMR_3 and MMR_3 imported from Manila which was classed under 'hemp' till now and assessed to import duty of $18\frac{3}{4}$ per cent. is now assessed by the Customs Authorities here under 'aloe fibre', the duty on which is 30 per cent. The Committee learn that while CMR_3 and MMR_3 botanically belong to the same genus as 'aloe fibre', the species are entirely different and in fact there is nothing common between the two fibres as far as their use for all practical purposes is concerned Aloe Fibre is charged 30 per cent import duty with a view to give protection to the same fibre grown in India, but the Maguey fibre does not require such high duty as it is not grown in India and the aloe fibre grown in the country cannot replace it.

The Committee would further point out that this imported fibre is used for manufacturing rope and these ropes command a large market in the country because of the cheap price at which they are selling. If the import duty is however enhanced to 30 per cent. the industry

would not be able to face the keen competition from Japan in this field and the industry would have to close down for all practical purposes. The Committee therefore feel that CMR_3 and MMR_3 fibres imported from Manila should be classed under 'hemp' as was done till now or be assessed separately to duty at the previous level of $18\frac{3}{4}$ per cent.

The Committee trust the matter would receive early attention of the Board in view of the importance of this article in the rope manufacturing industry.

PUBLIC AFFAIRS.

SALE DEPOT OF THE GOVERNMENT OF INDIA PUBLICATIONS AT CALCUTTA.

Letter No. 587, dated the 21st March 1939, from the Chamber to the Government of India, Finance Department.

I am directed to invite reference to my letter No. 2661, dated the 14th December 1938 regarding closing down of the Sale Depot of the Government of India publications located at 8, Hastings Street, Calcutta. While the Committee have not heard anything in the matter from the Government, they have received certain complaints about difficulties in obtaining copies of the Government of India Gazette and other publications at this depot The Committee are given to understand that very few copies of the Gazette and other publications are kept at the depot and these being exhausted in a very short time, persons intending to purchase copies of Gazette and other important publications are not able to get the same. As the public and specially the business community who need these publications very often are put to great difficulty when these publications are not available, I have to request you to kindly arrange for sufficient number of copies of the Gazette and other publications to be kept at the depot at Hastings Street.

I shall be glad if the matter is given an early attention.

Copy of letter No. A 543, dated the 6th May, 1939, from the Government of India, Department of Labour to the Chamber.

SUBJECT : Complaint regarding non-availability of copies of the *Gazette of India* and important publications at the Retail Book Shop, Calcutta.

I am directed to refer to your letter No 587 dated the 21st March 1939, to the Secretary to the Government of India, Finance Department. While the number of copies of the *Gazette of India* and other important publications stocked by the Retail Book Shop, Calcutta, is usually sufficient to meet normal local demands, occasions do arise when the estimated number of copies of the *Gazette of India* containing notifications or bills of exceptional importance, printed for sale, falls short of actual requirements. Additional copies have then to be printed. In such circumstances some delay is inevitable but all possible care is taken to minimise it.

2. I am to suggest that the Chamber could help in avoiding the delay if they were to book their orders for extra copies of the Gazette

sufficiently in advance to enable the Central Publication Branch to include them in its estimate.

RESTRICTIONS ON THROUGH INDIAN PASSENGERS IN LANDING AT MANILLA PORT

Letter No 462, dated the 7th March 1939, from the Chamber to the Consul-General for the United States of America, Calcutta.

The attention of the Chamber has been drawn to the fact that there is a rule prohibiting the landing of Indians along with the Chinese, in the port of Manilla in the Phillipines It is understood that even through passengers travelling between India and other countries in the Far East are not allowed to go on shore in Manilla even for a couple of hours while the ship is in port, while persons of other nationalities are allowed to do so As the Committee of the Chamber are considering the question, I shall be glad if you will kindly enlighten me as to the exact state of affairs and the regulations in force in the Phillipines

An early reply will be appreciated

Copy of letter dated the 9th March 1939 from the American Vice-Consul to the Chamber.

The Consulate-General has received your letter of March 7th referring to a rule which prohibits the landing of Indians and Chinese at Manila even when they are through passengers travelling between India and other countries in the Far East. You ask to be enlightened as to the exact state of affairs and the regulations in force.

Other than the usual passport and visa requirements which relate to all temporary visitors, the Consulate-General knows of no bar which would prevent Indians or Chinese as such from landing in Manila in the circumstances which you state. It is believed that your informant must have been unaware of the true reason why the persons in question were not allowed to land In this connection, it may be stated that the Consulate-General believes, though it has not been officially informed, that there is now effective in Manila a strict quarantine on all persons who have not been recently vaccinated against certain diseases, and who are arriving from Hongkong and Chinese ports where these diseases are epidemic. Such a quarantine would, of course, apply to all nationalities

If you should desire to make further enquiries on the subject, it is suggested that you communicate with the British Consul under whose consular jurisdiction Manila is included The British Consul would doubtless be able to obtain directly a true report of the situation.

Letter No. 492, dated the 11th March 1939, from the Chamber to His Brittanic Majesty's Consul-General, Manila (Phillipines).

The attention of the Chamber has been drawn to the fact that Indians who happened to be travelling between Japan and India have recently had the unpleasant experience of not being allowed to go on shore even for a couple of hours when the ship by which they were travelling touched Manila and was in port, although the people of other nationalities were freely allowed to land. The Chamber tried to get some further information on the matter from the local American Consulate and were informed that they did not know of any other restrictions than the usual pass-port and visa requirements which would prevent Indians as such from landing in Manila. The American Consul also informed the Chamber that the situation reported might have arisen in view of the fact that, as they understand, though not officially, there was effective in Manila a strict quarantine on persons arriving from Hongkong and Chinese ports where certain diseases were epidemic Such a quarantine, if effective, would, of course, apply to all nationalities whereas the information of this Chamber was that only the Indian and Chinese through passengers were not allowed to land at that port

I am, therefore, directed to request you to kindly enlighten me whether there is in force any such discriminatory rule prohibiting the landing of Indians and Chinese in Manila, even for a temporary visit when the through steamer by which they are travelling is in port. If it be so, the Committee would request you to kindly take up the matter strongly with the authorities concerned in order to remove this discriminatory treatment.

An early reply will be appreciated.

Copy of letter dated March 27th, 1939, from the British Consulate General, Manila to the Chamber.

I am directed to acknowledge your letter No. 492 of the 11th inst. relating to the landing difficulties experienced by Indians passing through Manila on their way to and from Japan, and to enclose* herewith copy of a communication on the same subject received from the Indian Chamber of Commerce at Kobe, Japan, and of my reply thereto. I am also enclosing copy of the reply sent to a similar communication by the Manila Bombay Merchants Association.

From these documents it will be seen that the situation to which your refer has now been remedied and that transient Indians are permitted to land provided they are first or second class passengers. In cases where cash bonds are required by the Phillipine immigration authorities it has been arranged, as a result of representations made by this Consulate-General, that the guarantee of the Manila Bombay

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*Enclosures not printed.

Merchants Association will be accepted, and it is therefore advisable to inform the President in advance of the names of any Indian merchants who intend to pass through Manila, at the same time giving the approximate date of arrival and the name of the vessel in which they are travelling

The restrictions placed on vessels arriving from Hongkong and China ports by the quarantine authorities at Manila are very strict and apply to passengers of all nationalities; such restrictions are however quite separate from those imposed by the Phillipine immigration authorities and there is nothing discriminatory in their nature.

Letter No. 743, dated the 22nd April, 1939, from the Chamber to His Brittanic Majesty's Consul-General, Manila (Phillipines).

I am directed to acknowledge receipt of your letter dated the 27th March 1939 regarding difficulties experienced by through Indian passengers in landing at Manila on their way to and from Japan. While the Committee appreciate the action taken by you in removing the difficulties, it does not appear to be clear from your letter as to why "cash bonds are required by the Phillipine immigration authorities" from transient Indian passengers intending to land at Manila for a few hours during the course of their journey. It is also not clear whether such bonds are required only from passengers other than first or second class or even from some of the latter The Committee understand that no such bond or security deposit is required from persons of other nationalities. It is apparent from this that there is some discrimination against Indians in the immigration rules made by the Phillipine Government and the Committee would request you to kindly let them know the exact position as regards the immigration rules. It is also requested that a copy of the regulations regarding immigration may kindly be obtained and sent to this office I shall be glad to pay the charges, if any, for the same.

Thanking you.

Letter No 745, dated the 22nd April, 1939, from the Chamber to the Government of India, Department of Education, Health and Lands.

The attention of the Committee of this Chamber was drawn by the Indian Chamber of Commerce, Kobe, Japan to the difficulties experienced by Indian passengers passing through Manila (Phillipines) in landing while the steamer was in port during the course of the journey. The Chamber was informed that while passengers of other nationalities were allowed to land for the few hours the steamer was in port, there was a restriction against Indian passengers. The Committee under-

stand that the Indian Chamber of Commerce, Japan have referred the matter directly to the Government of India also.

Before approaching the Government of India in the matter, the Committee instituted enquiries with the local American Consul as also with His Brittanic Majesty's Consul-General in Manila in order to know the exact state of affairs. From the correspondence with the British Consul at Manila and from further information received from the Indian Chamber of Commerce, Japan it appears that although steps have been taken by the British Consul to minimise the difficulties, the Phillipine immigration authorities are demanding cash bonds or deposits equivalent to about Rs. 3,000/- from Indian passengers desiring to visit Manila during the course of their journey to and from Japan No such bond or deposit, so far as the Committee understand, is required from passengers of other nationalities who are allowed to land free at Manila The Committee are not aware of the reasons for this discriminatory treatment against Indians particularly when no such restriction applies to foreign passengers landing at any of the Indian ports and they would request the Government of India to take up the matter with the Phillipine authorities in order to have such discrimination removed It would be realised that it is obviously unfair to expect passengers to arrange for days in advance or to deposit large cash securities in order to be able to avail of a temporary halt of a few hours and land at Manila. The Committee need hardly emphasise the desirability of the Government of India taking immediate action in the matter in order to remove these irksome difficulties and to ensure that a fair and equal treatment is meted out to Indian passengers at the Manila port. The Committee will be obliged to be informed of the steps taken by the Government of India in the matter.

Copy of letter No. F-310(26)-X/39, dated the 4th May, 1939, from the Government of India, External Affairs Department to the Chamber.

Treatment of Indians in the Phillipines.

I am directed to refer to your letter No 745, dated the 22nd April, 1939, and to state that His Majesty's Government have been asked to make enquiries regarding the complaints and to take such action as may be necessary and possible to ensure that British Indian subjects are not treated with adverse discrimination by the Phillipines authorities.

Letter No. 904, dated the 17th May, 1939, from the Chamber to the Government of India, External Affairs Department.

Re: Treatment of Indians in the Phillipines

I am directed to acknowledge receipt of your letter No F.310(26)-X/39, dated the 4th May 1939 and to thank you for taking up the matter with His Majesty's Government in the United Kingdom The Committee shall be obliged if you will kindly inform them of the reply from His Majesty's Government.

Copy of letter No D.O F.310(26)-X/39, dated the 13th July, 1939, from the Government of India, External Affairs Department to the Chamber.

Grievances of Indians passing through Manila.

Will you please refer to the correspondence ending with your letter No 904 dated the 17th May 1939?

2. I am desired to say that as a result of enquiries made by His Majesty's Government the British Consul-General, Manila, has reported that he is satisfied that British Indian subjects are not being treated with adverse discrimination. In this connection I am to point out that, according to the United States Immigration Act, 1917, which is the immigration law of the Phillipines, natives of most parts of Asia and including British India form an excluded class of which only persons of a certain status or occupation are permitted to enter that country. The onus of establishing his status lies on the immigrant and the Phillipines authorities do not permit the landing of any such immigrant until a board of enquiry has given its decision pending which he is detained at the local immigration station for a considerable time.

3. Owing to recorganisation of the Phillipine Immigration Department, much confusion and delay resulted and for some time the authorities found it difficult to cope with Asiatic through passengers and permit them to land. Consequent, however, on representations made by His Majesty's Consul-General at Manila, landing privileges were restored to 1st and 2nd class through passengers subject to their *bona fides* being vouched for by the Consulate-General or by the Bombay Merchants' Association, Manila. The enclosed copy* of a letter from this Association to the Indian Chamber of Commerce, Japan will indicate that the local Indian community are satisfied with the present working of the immigration law.

4. I am also to add for your information that the Phillipine authorities have recently proposed to the Government of the United States of America the enactment of an immigration law which would

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*Enclosure not printed.

remove the restrictions against certain Asiatic races. As a result also of a request made by His Majesty's Consul-General, Manila, for the rescission of all regulations treating British Indian immigrants with adverse discrimination, the Phillipine authorities have intimated that the matter is receiving their careful consideration.

INDIANISATION OF SERVICES IN THE CALCUTTA PORT TRUST

Letter No. 364 dated the 22nd February, 1939, from the Chamber to the Chairman, Commissioners for the Port of Calcutta

I shall thank you to kindly let me have the information regarding the number of Indians, Anglo-Indians, and Europeans (including all non-Indians) in the service of the Port Trust for the last five years on posts carrying salaries of and over Rs. 500/- per mensem I shall also be glad if you will kindly let me know the number of new appointments or recruitments made to this class of service during the last five years and the proportion of Indians, Anglo-Indians and Non-Indians therein.

Copy of letter No. 18170, dated the 7th March 1939, from the Chairman, Commissioners for the Port of Calcutta to the Chamber.

The collection of the information asked for in your letter No. 364, dated the 22nd February 1939 would involve a large amount of work, but presumably the object of your Chamber's enquiry is to ascertain the progress made with Indianisation and I think the information which I give below will serve your purpose.

I will refer separately to each section of the Commissioners' service for which Indian candidates are available for the senior posts

SECRETARY'S DEPARTMENT.

There are five senior posts in this Department, and these posts are filled by one European and four Indians. The European was appointed on the 16th September 1919 and has some years to serve before he is due for retirement. When he does retire this Department will be completely Indianised.

Three of the Indians entered the Commissioners' service as Probationers in the Traffic Department.

The two posts of Welfare Officer which have recently been created can be conveniently referred to under the Secretary's Department. One is filled by an Anglo-Indian and the other by an Indian.

ACCOUNTS DEPARTMENT.

The senior posts in this Department are the Chief Accountant, Deputy Chief Accountant, five Assistant Accountants, twelve Inspectors

of Accounts and the Treasurer. The Chief Accountant, and Deputy Chief Accountant are Europeans; of the Assistant Accountants four are Anglo-Indians and one Indian; and all the Inspectors of the Accounts and the Treasurer are Indians.

The Commissioners now appoint only qualified Accountants as Inspectors of Accounts and they have thus established a cadre from which it should always be possible to fill the highest appointments At the present time there are Assistant Accountants and Inspectors of Accounts who will certainly be fit for promotion, and it should never be necessary again to fill the posts of Deputy Chief Accountant and Chief Accountants from outside This means that the Department will be completely Indianised when the present Chief Accountant and Deputy Chief Accountant retire after completing their full terms of service

TRAFFIC DEPARTMENT.

The four senior officers in this Department are Europeans with long service.

The Commissioners' system of appointing carefully selected probationers of the type likely to qualify for the senior posts has proved a success. The first two Indian Probationers to be appointed are now filling the fifth and sixth posts, and one of the two is officiating at the present moment in one of the four most senior posts. The next three senior posts, apart from the Railway section, which will be referred to separately, are filled by two Anglo-Indians and by one Indian, who originally entered the service as a Probationer.

In all probability the shipping side of the Traffic Department will be completely Indianised by the time the four senior Europeans have finished their service and retired. It is of course just possible if these Europeans and some of the senior Indians retire in the immediate future, that there might be no one in the service sufficiently senior or sufficiently experienced to fill a vacancy and an appointment from outside might be necessary This has happened in the past and it might happen again but the possibility has nothing to do with Indianisation. If it happened in the next few years, which I consider extremely improbable, the appointment of a European from outside would be more likely than the appointment of an Indian because the field of selection would be mainly European, but this state of affairs will change as Indianisation progresses on the Railways and in other Ports.

I will now refer to the Railway section. The two senior men in this section must have railway experience and training or, in other words, they must be recruited from the Railways. The senior man is an Anglo-Indian who came from the East Indian Railway five years ago. It recently became necessary to fill the second post, and the most

suitable candidate happened to be a European on the East Indian Railway. He was appointed and will join shortly

CIVIL ENGINEERING DEPARTMENT.

The Chief Engineer, Deputy Chief Engineer and two Executive Engineers are Europeans with long service There are two Indian Assistant Executive Engineers and three Indian Assistant Engineers Recently the Commissioners decided to abolish the posts of Assistant Engineer immediately they are vacated by the present incumbents and in future to recruit proved men with practical experience direct to the grade of Assistant Executive Engineer. One of the Assistant Executive Engineers referred to above was recently appointed after the vacancy had been advertised, and another Indian Assistant Executive Engineer was appointed two years ago to the new Howrah Bridge and he will probably be willing to transfer to the Port Commissioners when the bridge is finished.

It is impossible to say when this Department will be completely Indianised. In addition to the four European Engineers mentioned above one has been lent to the new Howrah Bridge, but of the five three will retire within the next few years. It may be necessary therefore to recruit from outside, and it is at least possible that the most suitable applicants with dock experience will be Europeans

It was necessary recently to advertise for an Executive Engineer and of the applications received the best was from a European, who had extensive dock experience. He was appointed and will join on the 1st April next. Indianisation is progressing in all the major ports, and in time there will be more Indian engineers with the necessary experience available for senior posts.

ELECTRICAL ENGINEERING

The Electrical Engineer and Assistant Electrical Engineer are Indians.

RIVER SURVEY DEPARTMENT.

The River Surveyor and Deputy River Surveyor are Europeans, but the twenty one Assistant and Probationary Assistant River Surveyors are all Indians or Anglo-Indians. The Senior Assistant River Surveyors are Anglo-Indians because until recently no Indian applied for these posts. The Commissioners now recruit mainly from the "Dufferin" The posts of River Surveyor and Deputy River Surveyor will be filled when the present incumbents retire by the promotion of Assistant River Surveyors.

STORES DEPARTMENT.

The Controller of Stores is a European and the Assistant Controller of Stores an Anglo-Indian. It is probable that a post of Probationary

Assistant Controller of Stores will be created shortly and that an Indian will be appointed to it. If the present Controller served for the normal time the Stores Department will in all probability be completely Indianised when he retires.

I have referred above only to the sections of the Port Commissioners' service for which Indian Candidates are available. There are other sections which are manned solely by Europeans because only Europeans have the necessary qualifications For example, there are thirtyseven Assistant Harbour Masters, and a Harbour Master when he joins must be in possession of a Master Mariner's certificate and have had many years of sea experience. His age when he enters the Commissioners' service is usually about 29 and he has previously served as a Chief or Second Officer in the Mercantile Marine. There are also other posts which require the same qualifications as Assistant Harbour Masters as well as Mechanical Engineering posts for which engineers with marine experience are essential. Indians will be available for these appointments in time but they are not available now.

The working of any Port necessarily involves the employment of many men with marine training, and therefore all the Port Trusts will have to employ a large number of Europeans until such time as Indian Candidates with the necessary training and experience are available The Calcutta Port Commissioners, and I believe the other Port Trusts also, have taken action to Indianise their services wherever Indianisation is possible, and I think the Indian Chamber of Commerce will agree that the facts stated by me above prove that their action has on the whole been successful

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Letter No. 707, dated the 11th April, 1939, from the Chamber to the Chairman, Commissioners for the Port of Calcutta.

I am directed to refer to your letter No 18170 dated the 7th March 1939 in reply to my letter No. 364 of the 22nd February 1939. The object of the enquiry made by the Chamber was, as you have stated, to ascertain the progress made with Indianisation of the services under the Port Commissioners. While the Committee are thankful to you for the information conveyed in your letter under reference, they find that it does not give a complete idea of the progress of Indianisation The Committee would request you to let them know the total number of persons employed under the Port Trust in posts carrying a salary of Rs 500/- per mensem and above as on the 31st December 1938 or a later date, if possible and the number of Europeans, Anglo-Indians and Indians forming such total. If you wish to give the information in detail by departments in order to enable a better appreciation of the progress with and difficulties of Indianisation, the Committee would

welcome it but in any case, they would like to have the information complete in respect of all posts under the Port Trust carrying a salary of Rs. 500/- or more per mensem.

An early reply is solicited

Copy of letter No 39425, dated the 18th April, 1939, from the Chairman, Commissioners for the Port of Calcutta to the Chamber

With reference to your letter No 707 dated the 11th April, I regret that I am unable to give you a better idea of the progress made with Indianisation than I have already done in my letter dated the 7th March. The list of posts for which you have asked for would be valueless in itself.

APPOINTMENT OF AN AGENT IN BURMA.

Letter No 144, dated the 30th January 1939, from the Chamber to the Government of India, Department of Education, Health and Lands

I am directed to invite reference to the correspondence resting with your letter No F 153-3/38-L. & O dated the 21st September 1938 regarding the appointment of Mr C A Henderson as the Agent to the Government of India in Burma The Committee understand that Mr. Henderson is shortly going away and that the question of appointing another man in his place will come up before the Government of India The Committee take this opportunity of reiterating their previous views regarding the appointment of an Indian to this important post. In view of the very uncertain and unfortunate situation prevailing in Burma ever since the last riot in August 1938, it is particularly essential that a very experienced and able Indian should be appointed as the Government of India's Agent in Burma in order to be able to safeguard effectively the interests of the large number of Indian residents in that country. The Committee trust that the Government of India will give an early assurance in the matter.

Copy of letter No. F.54--1/39-O.S., dated the 25th February, 1939, from the Government of India, Department of Education, Health and Lands to the Chamber.

SUBJECT: Agent of the Government of India in Burma—Suggestions to appoint an Indian.

I am directed to acknowledge the receipt of your letter No. 144, dated the 30th January, 1939, on the subject mentioned above.

Letter No 148, dated the 31st January, 1939, from the Chamber to the Government of Madras

The Committee of the Indian Chamber of Commerce, Calcutta understand that Mr C. A Henderson, former first Member of the Madras Board of Revenue and at present Agent to the Government of India in Burma, is shortly going away and that the question of appointing another person in his place will shortly come up before the Government of India In September last, when the Government of India appointed Mr Henderson to be their Agent in Burma, the Committee had suggested the appointment of an Indian to the post. The Government of India then replied that Mr Henderson's appointment was made in pursuance of the suggestion of the Government of Madras. Now that Mr Henderson is reported to be shortly leaving the post, the Chamber has again addressed the Government of India as per copy enclosed reiterating their previous views regarding the appointment of an Indian to be their Agent in Burma. The Committee trust that the Government of Madras will support this suggestion and urge the Government of India to appoint an experienced and able Indian to the post in order to be able to safeguard effectively the interests of the large number of Indian residents in Burma.

Telegram dated the 20th June, 1939, from the Chamber to the Government of India, Home Department.

Committee Indian Chamber of Commerce Calcutta regret delay in appointment of Indian Agent in Burma especially when Burma Government have appointed Commission to enquire into problems connected with Indian immigration into Burma. Committee reiterate that Government should appoint non-official Indian of experience and urge immediate announcement on the subject. As regards commission on immigration Committee feel it would have been preferable to have Indian and Burman representatives as Members of Commission in order to enable them to participate on equal footing in deliberations of Commission and in framing of report instead of assisting as mere Assessors. Failing such change in composition of Commission Committee would suggest that Government of India should see that Indian interests are adequately represented and safeguarded by appointment as Assessor of a non-official Indian enjoying public confidence.

Copy of letter No. F 54-1/39-O.S , dated the 7th July, 1939, from the Government of India, Department of Education, Health and Lands to the Chamber.

Re: Burma—Agent of the Government of India—Commission of Enquiry

I am directed to acknowledge the receipt of your telegram dated the 20th June, 1939, on the subject mentioned above

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Letter No 1392, dated the 17th July, 1939, from the Chamber to the Government of India, Department of Education, Health and Lands.

I am directed to acknowledge receipt of your letter No. F 54-1/39-O.S., dated the 7th July 1939 in reply to this Chamber's telegram regarding the appointment of the Agent of the Government of India in Burma The Committee would point out that the delay in the appointment of the Indian Agent in Burma is causing considerable anxiety not only in India but also among Indian residents in Burma. As the Government are aware, a Commission has been recently appointed by the Government of Burma to enquire into the problem connected with Indian immigration into Burma and the Committee feel it is essential that the Government of India should immediately appoint the Indian Agent in Burma. The Committee would reiterate that a non-official experienced Indian enjoying public confidence should be appointed to this post. In view of the importance of the matter, the Committee trust the Government of India would make an early announcement on the subject

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Copy of letter No. 2297-Com., dated the 25th July, 1939, from the Government of Bengal, Department of Commerce and Labour to the Chamber.

With reference to your letter No 1393, dated the 15th/17th July, 1939 I am directed to say that Mr. R. H Hutchings, C.I.E., I.C.S. has been appointed as the Agent of the Government of India in Burma

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Telegram dated the 25th July 1939, from the Chamber to the Government of India.

Reference announcement regarding appointment of India Government Agent in Burma while Committee welcome appointment of one connected with Bengal they strongly resent appointment of non-Indian against almost unanimous demand for appointment of experienced non-official Indian to the post.

Letter No 1552, dated the 3rd August 1939, from the Chamber to the Federation of Indian Chambers of Commerce and Industry.

I am enclosing herewith copy of a telegram addressed by the Chamber to the Government of India regarding the appointment of a non-Indian as the Government of India's Agent in Burma The Committee understand that certain other Chambers have also addressed the Government accordingly and they hope that the Committee of the Federation will also take up the matter and express their disapproval of the appointment of a Non-Indian as Agent in Burma

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Copy of letter No. F-1543, dated the 23rd August, 1939 from the Federation of Indian Chambers of Commerce and Industry, to the Chamber.

SUBJECT: Appointment of a non-Indian as Government of India's Agent in Burma.

With reference to your letter No. 1552 of the 3rd instant I am directed by the President to inform you that the Burma Indian Chamber of Commerce, Rangoon, wrote to the Federation some time in March last, expressing its grave doubts as regards a suitable Indian with requisite qualifications and status being available for the appointment of the Government of India Agent in Burma The Chamber, therefore, made a suggestion that a senior European Civilian of superior position in the Service should be appointed as the Agent, as he would be in a position to command the respect not only of the Burmans but also of the European officials and would be able to have easier access to officials and records and would thus be in a position to render better service to the cause of Indians in Burma. In view of this letter, the President feels that the Indian commercial community, as represented by the Burma Indian Chamber, may not lodge its protest against the appointment of Mr Hutchings, and he has, therefore, directed that no action should be taken over your letter in the matter.

INDIANISATION OF IMPERIAL BANK SERVICES.

Letter No. 435, dated the 4th March 1939, from the Chamber to the Imperial Bank of India.

I am directed to refer to your letter "Private and Confidential" No. 124 dated the 13th January 1939* regarding the policy of the Imperial Bank of India on the question of Indianisation of its services The Committee appreciate your courtesy in giving detailed information on the subject and in acquainting them with the policy of your Bank

*Not printed.

in the matter. The Committee have nothing to add further in the matter at present but trust that in the execution of the policy outlined in your letter care will be taken to give fair opportunities to Indians in the service of the Bank for work in the highest posts.

USE OF SACCHARINE IN AERATED WATERS

Copy of letter No. F-52-64/38-H., dated the 24th January, 1939, from the Government of India, Department of Education, Health and Lands to the Chamber.

Re: Saccharine—Use in drinks and articles of food—Prohibition.

With reference to your letter No. 2630 dated the 15th December, 1938 on the subject mentioned above, I am directed to say that as the subject 'Adulteration of foodstuffs and other goods' is included in the Provincial Legislative List, it is for the Provincial Governments to consider whether it is necessary to prohibit the use of saccharine in drinks and articles of food and you may, if you so desire, address them in this matter

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Copy of letter No 1050-G B /36(VII)(b), dated the 27th June, 1939, from the Government of Sind to the Chamber.

SUBJECT: Saccharine—Prohibition of the use of—

In continuation of Mr. Rodrigues' letter No. 1050-G.B./36(X) dated the 11th January, 1939 on the subject noted above, I am directed to state that the Government of Sind are in general agreement with the views expressed in Mr Dhadda's letter No. 2636 dated the 15th December, 1938 addressed to the Government of India copy endorsed to this Government. I am to add that the Government of Sind propose to take steps to prohibit the use of saccharine in aerated water etc In this connection I am to invite your attention to part III of Appendix A and the Appendix D to the revised model rules made under the Bombay Prevention of Adulteration Act, 1925, copy enclosed.* The municipalities in whose areas the Act has been applied are being asked to adopt these rules in place of their reespective rules now in force. I am to conclude that these revised rules will in due course apply to such towns to which the provisions of the Act have already been extended or may be extended hereafter, and as regards the other areas the Director of Health Services and Inspector-General of Prisons, Sind, is being asked to move the local bodies concerned to take executive measures discouraging the use of saccharine in the articles of food.

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*Not printed.

Discriminatory Clause against Indian Importers in certain Marine Insurance Policies

Letter No. 485, dated the 8th March, 1939, from the Chamber to the High Commissioner for India, London

The attention of the Committee of this Chamber has been drawn to the following clause occurring in certain marine policies issued in respect of goods imported from England into Calcutta —

> "*Native Consignee Clause.*—In the event of accident whereby loss or damage may result in a claim under this policy in respect of goods forwarded to Native Consignee survey must be held prior to goods leaving Customs House"

This clause which is added to the original policy precludes an Indian importer from claiming damages in respect of goods which have left the Customs House, whereas usually the importers are entitled to apply for survey and claim damages after the goods are received in their godowns and breakages are discovered As is apparent from the clause quoted above, it does not apply to Non-Indian importers. The Committee are unable to appreciate the reason for this racial discrimination and strongly object to any such arrangements whereby Indian importers are placed at a disadvantage as compared to their foreign competitors. The Committee would, therefore, request you to kindly take up the matter with the parties concerned in London in order to have this invidious distinction removed between Indian and non-Indian importers in India The Committee need hardly stress that the matter is of considerable importance to the Indian commercial community and they trust that you will kindly use your good offices in the matter and have the grievance redressed at an early date

An early reply as to the steps taken in the matter will oblige.

Copy of letter No T 18-23-5, dated the 20th March, 1939, from the High Commissioner for India, Trade Department, London to the Chamber

I am directed to acknowledge receipt of your letter No. 485 dated the 8th March, regarding certain clauses in certain marine policies and in reply to inform you that a reference has been made to the Government of India, Department of Commerce in the matter

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Copy of letter No 4-C (27)/39, dated the 28th July 1939, from the Government of India, Department of Commerce to the Chamber

Subject: Insertion of 'Native Consignee Clause' in certain marine policies.

With reference to your letter No. 485 dated the 8th March 1939, addressed to the High Commissioner for India, London, on the above

subject, I am directed to say that the Government of India would be glad to be furnished with details of specific instances in which the difficulties complained of have actually occurred and in particular whether the insertion of the clause in question is insisted upon by non-Indian insurers only or by Indian insurers in United Kingdom as well. In the event of non-Indian insurers only resorting to the clause, information may be given as to whether all of them have adopted the practice or only a few

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Letter No. 1708, dated the 17th/19th August 1939, from the Chamber to the Government of India, Department of Commerce

I am directed to invite reference to your letter No 4C(27)/39 dated the 28th July 1939 regarding insertion of "Native Consignee Clause" in Marine policies. I have to state that the clause in question was found in one of Lloyd's Agents' Policies sometime back, as per original enclosed herewith. I am also enclosing* a copy of the letter received by Messrs Devadutt Saraogi & Son, a member of the Chamber, from Messrs Gladstone Wyllie & Co., Agents to Lloyds, which shows that owing to the presence of this clause the former's claim was disallowed. As regards your query whether a similar clause occurred in the policies of Indian Insurers also, I may mention that there are no Indian Insurers at present operating in the United Kingdom The Committee trust that the information given above will enable the Government to take further steps suitable in the matter

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Copy of letter No. 4-C.(27)/39, dated the 9th December, 1939, from the Government of India, Department of Commerce to the Chamber

With reference to the correspondence resting with your letter No. 1708 dated the 19th August, 1939, I am directed to say that as a result of the inquiries made by the High Commissioner for India in the matter, the Government of India are informed that the "Native Consignee Clause" now known as the "Special Survey Clause" is not an Official Institute Clause, but is used generally by all Insurance Companies as well as Lloyds' Underwriters in cases where experience has shown it to be necessary and that this clause is not only used in insurance on shipments to India but also to other countries In case you wish any further inquiry to be made, I am to request that the Government of India may be furnished with the names of the Companies which insist upon the insertion of the Clause in question, apart from Lloyds' agents, or the names of those companies which had never inserted such a Clause in their policies before.

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*Not printed.

Securing of passages by Sea for Members of the Staff of Commercial and Industrial undertakings in the event of any emergency

Copy of letter No 593/P S O.C (1), dated the 11th May, 1939, from the Government of India, Defence Co-ordination Department to the Chamber

I am directed to inform you that the Government of India, in consultation with the Secretary of State for India, have under consideration the arrangements that may be necessary in the event of an emergency to secure passages by sea from Europe to India for those members of the staff of commercial and industrial undertakings in India who may be in the United Kingdom at the outbreak of the emergency and whose very early return to this country may be vitally necessary in order that the industrial and commercial concerns may be able to meet the demands for supplies of essential commodities which may be entrusted to them, and I am to ask that your Association will be so good as to assist the Government of India in the task of preparing lists giving the information in regard to the gentlemen whose early return to India is a matter of vital importance.

2. I am to explain that all possible assistance to secure passages will be given by the Government, but I am directed to stress the fact that, in the event of a serious emergency, the number of passages for persons other than Military and Civil officers in the employ of Government may be very severely curtailed and I am to ask that the list should be restricted to those gentlemen whose presence in India is vitally essential.

3 It will be convenient if the undernoted particulars in regard to the gentlemen referred to in the preceding paragraph now on leave in Europe could be given Any changes in the lists which may from time to time be necessitated owing to additional gentlemen proceeding on leave or those at present on leave returning to India should be intimated to me:

Name . . . . . .

Executive position . . . . . .

Special Technical qualification . . . . . .

Address in United Kingdom or address of office in United Kingdom responsible for movements. . . . . .

4. I am to add that, in the event of an emergency, any gentleman for whom a passage may be secured by Government assistance will in all probability have to embark in the United Kingdom at very short notice and this fact should be made known to any gentleman intending to spend any part of his leave outside the United Kingdom.

5. The Government of India will be grateful if you could have the contents of this letter communicated to all members of your Association and to all industrial and trade associations affiliated to it, with the request that any reply they may desire to give to para 3 should be forwarded to me at the earliest possible moment and in any case not later than the 15th July, 1939.

6 I am to ask that the contents of this letter may be kept as secret as the carrying out of the request contained therein will permit

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Letter No 1362, dated the 12th July, 1939, from the Chamber to the Government of India, Defence Co-ordination Department

I have to invite reference to your letter No 593/P S O C (7) dated the 11th May 1939 regarding securing passages by sea from Europe to India for members of the firms of commercial and industrial undertakings I am to state that the matter has been circulated to members of the Chamber and bodies affiliated to the Chamber and they have been instructed to supply the names of all such persons directly to you.

Copy of letter No. 593/M.P (D C.), dated the 16th September, 1939, from the Government of India, Defence Co-ordination Department to the Chamber.

Re. Recall of staff of commercial and industrial undertakings in India

In supersession of all previous communications on the above subject I am directed to inform you that arrangements have already been made to ship to India the great majority of Civil and Military Officers and key industrialists whose importance had previously been signified to the Secretary of State.

Precise lists of those who remain are not available but their numbers are small. It is to be presumed that they are all in touch with the Secretary of State, who has been asked to return all commercial and industrial gentlemen as well as officials as soon as passage accommodation can be arranged for them Since sailings have now been resumed, this should not present great difficulty and you are advised to instruct your employees direct to make their arrangements for return as soon as they can.

No further lists of amendments are being forwarded to the Secretary of State.

The Government of India would be grateful if you should communicate the contents of this letter to all members of your association and to all industrial and trade associations affiliated to it.

I am also to ask you to bear in mind India's very limited resources in European officers and in qualified technical personnel, and to use all your influence to prevent such persons leaving the country to volunteer for service, elsewhere or abandoning their posts in industry.

THE GOVERNMENT COMMERCIAL INSTITUTE RE-ORGANISATION COMMITTEE.

Copy of letter No. 13, dated the 17th June, 1939, from the Government Commercial Institute Re-organisation Committee, Calcutta to the Chamber.

I have the honour to forward herewith a questionnaire* prepared by the Government Commercial Institute Re-organisation Committee recently appointed by the Government of Bengal and to request you to be so good as to favour the Committee with the views of the Executive Committee as also of the affiliated member firms of your Chamber regarding the points covered by the questionnaire The member firms may be advised to send their replies through you or direct to me, as may be deemed advisable by you.

On hearing from you, I shall send the number of copies of the questionnaire you require for circulation among the members of your Executive Committee and affiliated firms.

Letter No 1790, dated the 28th August, 1939, from the Chamber to the Government Commercial Institute Re-organisation Committee, Calcutta

I am directed to refer to your letter No 13 dated the 17th June 1939 forwarding therewith a copy of a questionnaire regarding the re-organisation of the Government Commercial Institute. The Committee agree that the Government Commercial Institute should be re-organised and developed with a view to providing adequate facilities for commercial training. The Committee would, however, like to make it clear at the outset that re-organisation should not proceed on the basis only of copying similar existing institutions in other countries but that the opportunity should be taken to build up an Institute particularly suited to the needs and requirements of India and taking into account the present conditions. In the opinion of the Committee, the Institute or College whatever it is called, should provide for the imparting of commercial training of two categories namely that suited (1) to prepare students for clerical situations in commercial offices and (2) for administrative jobs in such firms Emphasis should be laid not on turning out larger numbers of trained students but on quality. The admission to the Institute should, however, be open on equal terms to

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*Not printed

all students having the minimum requisite qualification The Institute should, in the opinion of the Committee be affiliated to the Calcutta and other Universities particularly in order to provide students with a choice to continue higher academic studies if they so desire after passing out of the Institute. The Institute should, however, conduct its own examinations and grant its own diplomas and need not train students only for University degrees, facilities for which exist in other colleges. The Committee prefer the arrangement of having both day and evening training. They do not think it is necessary to provide for any scheme whereby employees in firms are allowed a number of days per week entirely free from their work in order to enable them to attend commercial or industrial classes. The povision of evening classes will cater to the needs of this class of youngmen. The Committee consider that there should be no difficulty in arranging for the students learning practical work in commercial firms but they would like to make it clear that in providing such facility commercial firms should not be expected to incur any additional expenditure by way of remuneration to apprentices

As regards the Governing Body for the Institute, the Committee are of opinion that this body should have a large representation of practical businessmen elected through the Chambers of Commerce and should have considerable autonomous powers

As regards the courses of study, the Committee are of opinion that short courses on industrial legislation like the Factories Act, the Payment of Wages Act, Workmens' Compensation Act and on Companies Act, etc. should be included. They presume that "mercantile law" includes short courses of Companies Act, Income-tax Act, etc. and Secretarial practice specially with regard to the provisions of the Companies Act. As regards the junior courses for clerkships etc. teaching in the methods of record keeping, indexing etc. may also be provided in the curriculum.

Although the Committee have not given their views *ad seriatum* against the questions included in the questionnaire, the above observations give an outline of the views of the Committee with regard to various points mentioned in the questionnaire. The Committee shall be glad to give their views on any other specific questions if so required.

Position of Indians in Burma.

Letter No. 1218, dated the 24th June, 1939, from the Chamber to the Government of India, Home Department.

The Committee of the Indian Chamber of Commerce, Calcutta, have to draw the attention of the Government to the unsatisfactory position

of Indians in Burma as disclosed by the Report of the Riot Enquiry Committee appointed by the Government of Burma and particularly to the question of compensation to those who suffered in the riots last year as well as the immigration of Indians into Burma.

It is well known that Burma contains the largest Indian population settled overseas and their interests there are long-standing and extensive It has been estimated that there are over 10 lacs of Indians in Burma and the total capital invested by Indian bankers alone is about Rs. 75 crores. Burma's association with India dates back to prehistoric times Burma and India are inextricably bound up together in cultural, geographical and economic senses and their relations have been cordial throughout their long and historic connection. It is regrettable, however, that in this country which was a Province of India till only about two years ago, there has been such widespread and intence anti-Indian feeling since its separation culminating in the serious riots which took place last year involving heavy loss of life and property and dislocation of the economic activities of the people. The Committee do not desire to go into all the details of the unfortunate riots but they have to point out that the considered opinion of the Riot Enquiry Committee was that neither in Rangoon nor in the Districts did the Indian population receive that measure of protection which, as citizens and as British subjects in Burma, they are entitled to expect and receive. There are two important and urgent questions arising out of this Report which deserve the immediate consideration of the authorities. The first is the necessity for recognition by the Burmese Government of the principle of payment of compensation for losses sustained by Indians and by those who had suffered during the recent riots and the second is the need to adopt necessary measures to ensure protection to the life and property in Burma of the Indian and other communities As regards the question of compensation, the Committee have to point out that although this subject did not form one of the terms of reference of the Riot Enquiry Committee and the Committee have not dealt with it in their Report, the Government of India have been in communication with the Secretary of State for India who is also the Secretary of State for Burma to obtain adequate compensation for the Indian sufferers. It is, however, not yet known what has been the result of these efforts and though it was reported in the press that the Standing Emigration Committee which met in Simla at the end of last month was appraised of the action of the Government of India in regard to this question as well as the question of immigration into Burma, no decision has been made public about this important matter. It is nearly nine months since the riots took place but no machinery has yet been set up for the purpose of receiving and examin-

ing claims. Many of the victims who have suffered have been in need of immediate help and several traders have been ruined. The Riot Enquiry Committee have in their Report tried to assess the losses of life and property caused by the riots They point out the enormous difficulties of doing so but they have roughly calculated that over 1,200 persons, both Indians and Burmans, were either killed or injured during the riots. After emphasising that it is impossible to calculate the invisible loss accrued to Indians and Burmans particularly through such methods as picketing of Indian shops, the Committee state that the Indian estimate of the gross total loss in Rangoon as well as the Districts comes to about Rs. 56 lacs They also acknowledge that the official estimate of the losses is very much of an under-estimate It will be evident, therefore, that the question of compensation is a vital matter. But it is not known what is exactly the stage at which this question rests at present. It will be recalled that speaking on the adjournment motion relating to the condition of Indians in Burma on 5th September 1938, Sir G S. Bajpai observed that "we are equally agreed that those Indians who have suffered in the recent riots should be able to claim compensation from the Government of Burma, for the loss of life and property that they have suffered" The Hon'ble Sir Jagadish Prasad as well as Sir G S Bajpai added that they would have to await reliable information about the extent of the losses suffered by the Indian community in Burma before making a claim for compensation. Again, on the 4th February 1939, speaking on the adjournment motion regarding the anti-Indian riots in Burma, the Hon'ble Sir Jagadish Prasad stated that as one of the terms of reference of the Riot Enquiry Committee was the loss of property caused and the damage done, he was "sure that when this inquiry is complete this question (*i.e* of compensation) will be further examined" He also assured the House that the matter had been brought to the notice of the Secretary of State for Burma It is, therefore, evident that the Government have accepted in principle the claim for compensation which is perfectly legitimate and has been recognised by all civilised governments. It is essential, however, that the question should be settled without any delay because as rightly pointed out by Mr. F. E. James in his speech in the Legislative Assembly in September last, "the chief value of compensation depends upon the speed with which it is given". The Committee trust that the Government will recognise the strong feeling on this question both in India and Burma and will press for immediate decision on this question by the Secretary of State and the Government of Burma. Indians in Burma cannot carry on their trade and avocations unless the Government of Burma are made to realise their responsibility in regard to the lives and property of their

citizens. The measure of protection extended to Indians depends ultimately upon the moral pressure which the Government of India can exercise on the Government of Burma It is necessary to reiterate that in this respect the Indian community in Burma stands on an entirely different footing from other British Dominions, Colonies or Protectorates because of their long and intimate connection with the country and the vital part they have played and are still playing in its economic development The Committee must point out, however, that what is desired for Indians in Burma are elementary rights of citizenship and the freedom to follow their peaceful avocations There is no question of their enjoying any special privileges or prerogatives on the basis of their race or colour The Committee cannot in this connection do better than quote the admirable summing up of the Riot Enquiry Committee that "both Indians and Burmans need urgent public re-assurance—Indians, that their status as British subjects in Burma will be upheld and that the position which the benefits they have conferred on Burma entitle them to will not be lost, and Burmans, that the economic growth and interests of the Burmese races will not be unnecessarily stifled and overlooked"

The Committee will now deal with the question of immigration of Indians in Burma. The Government of Burma have announced on the 17th June the appointment of a Commission to enquire into the problems connected with the Indian immigration into Burma The Committee regret to note that there is no direct Indian representation on a basis of equality in this Commission but that the enquiry has been entrusted to a sole Commissioner who will be assisted by one Burman and one Indian Assessor. The Committee are of opinion that it would have been preferable to have a Commission of three persons so that the other two members of the Commission would be able to participate on an equal basis in the deliberations of the Commission and in the framing of the report instead of assisting as mere Assessors. If it is not possible now to have the composition and procedure of the Committee altered as suggested above, it is at least essential for the Government of India to see that Indian interests in Burma as well as in India are adequately represented and safeguarded on that Commission by the appointment as an Assessor of a non-official Indian of standing and experience and enjoying public confidence. The Committee have already addressed a wire to the Government in this connection. The Committee have to point out that the Government of India would be entitled to insist upon such representation since Article XX of the Instrument of Instructions to the Governor of Burma lays down that he will have to "confer" with the Governor-General of India "with a view to the regulation of the emigration from India and immigration into Burma of

unskilled Indian labour". The Bengal Legislative Council also adopted on 19th May last a motion of Mr. Nur Ahmed requesting the Governor of Bengal to make a representation to the Government of India protesting strongly against the Government of Burma's move to impose restriction on Indian immigration.

The Committee have to point out that the terms of reference of the Commission are not restricted to the question of immigration of unskilled labour only but are very wide and include all questions pertaining to Indian immigration. The Committee have to urge upon the Government of India to see that it is made clear that the proposed enquiry refers to the immigration of unskilled labour only and that the occupations mentioned in the terms of reference pertain only to occupations in which unskilled labour is employed. While the Committee do not wish to deal with question of immigration in all its aspects regarding which Indian interests in Burma would be in a better position to represent their view-point before the Commission, they would deal with the broad principle underlying the whole problem

It may be recalled that when the Burma part of the Bill was before the House of Commons in April 1935, Earl Winterton proposed an amendment which would permit legislation regarding immigration only in respect of unskilled Indian labour. Sir Thomas Inskip stated at the time that it would be better to deal with this question by giving certain powers to the Governor and giving instructions in the Instrument of Instructions. It was contended at the time that it was difficult to define the term "unskilled labour" but it was recognised from the commencement of the constitutional deliberations ten years ago that there should be no restrictions on the entry of Indians in Burma. The Report of the Sub-Committee No 4 relating to Burma of the First Round Table Conference in 1931 stated, for example, that "the Sub-Committee also especially stress the importance of there being no discrimination as regards Indians entering Burma". This principle was also enunciated by the Prime Minister at the Burma Round Table Conference when Mr. Ramsay Macdonald stated on behalf of the British Government that "the main principle to be followed must be that of equal rights and opportunities for any British subject ordinarily resident or carrying on trade or business in Burma". The Burma Round Table Conference had also urged that "the British subjects should be secured the right to enter and to engage in trade and industry in Burma in the future as hitherto". It was contended by representatives of British commerce in Burma at the Conference that British subjects should include all British subjects, whether domiciled in the United Kingdom or in India. It was also not contemplated by the Joint

Select Committee to empower the Burma Legislature to restrict the entry of Indians of all classes.

But Section 44, Sub-Section (3), of the Government of Burma Act, 1935, permits restrictions on the right of entry into Burma of Indians and Section 138 provides for immigration into Burma from India being subject to such restrictions as may be specified in the Order of His Majesty-in-Council and mutually agreed upon between the Governor of Burma in Council and the Governor-General of India in Council. This legislative discrimination against Indians is objectionable in principle. If British subjects can claim free entry in India and Burma on the ground that they are British subjects and cannot be discriminated against, it was at least illogical to deny the same rights to Indians in Burma who are also British subjects, and who had enjoyed this right all these years. There is no doubt that this restriction which does not apply to British subjects domiciled in the United Kingdom who alone are given free right of entry into Burma constitutes one of the most glaring illustrations of discrimination against Indians. It is for this reason that Indians in Burma demanded from the very first that there should be no restriction as regards the entry of persons of Indian domicile including the subjects of the Indian States engaging in trade or business in Burma either in their individual capacity or as partners of firms now or hereafter in India. This was the first time in the constitutional history of the British Commonwealth that power was given to exclude Indians by specifically mentioning their name. Ever since Mr. Joseph Chamberlain opposed any *nominating* discrimination (*i e* discrimination by name) against Indians, even the worst kind of racial legislation in South Africa has never excluded Indians *qua* Indians but in the Constitution of a country which has been a part of British India, Indians have been specifically mentioned for exclusion.

The Committee need hardly dwell at length on the important part played by Indian capital and labour in the economic development of Burma. Both Indian labour and capital met a real demand in Burma and were in the first stages not only welcomed but also actively encouraged by the British authorities in Burma and in India. Mr. Morgan Webb in his Census Report of 1911 stated that Indian labour in Burma is supplying that demand which Burmese labour has not been able to meet and authoritative opinion holds that this supplementary Indian labour would be essential, to a larger or smaller extent, for the economic development of the country. The Royal Commission on Labour in India (1928) was of the same view and expressed its doubts as to "whether adequate Burmese labour would be available for monotonous and unskilled work, for which at present labour has to be imported".

Similarly, the Riot Inquiry Committee declare in their Report that "by a process, essential and highly beneficial at the time to the quick development of Burma, a large and prosperous Indian population has grown up" They have also recognised the benefits that the country has received and will yet receive from the Indians and observe that "there will always be room in Burma for the Indian and that if there were not, Burma herself probably would be the loser". Such impartial testimony to the services and need of Indian labour will, it is hoped, be given its due weight in considering the question of Indian immigration.

The Committee have further to point out that Indian immigration into Burma has been continuously declining during the last decade. The Riot Enquiry Committee in their interim Report point out that "since 1927 there has been an almost continuous decline in gross figures of immigrants of whom there were in 1937 only about half of the number in 1927" and that "the addition to the permanent Indian population of Burma by immigration has been comparatively slight". In other words, the so-called "peril" of Indian penetration of Burma has been the subject of undue exaggeration mainly for the purpose of racial agitation against Indians. Both the Royal Commission on Labour in 1928 and the Recent Burma Riot Inquiry Committee point out the absence of adequate data or materials upon which reliable conclusions could be based regarding the precise effects of Indian immigrant labour upon the Burmese labour market and on which a sound immigration policy could be formulated. Moreover, the Riot Inquiry Committee state in their interim Report that "it it not clearly established that the standard of living of the Indian labourer is necessarily lower than that of the Burman labourer". They suggest that this question along with that of the Indian labourer's ability to work for smaller wages than the Burman should be fully and impartially explored.

The Committee are, however, unable to accept in principle the distinction drawn between the permanent Indian residents of Burma and the seasonal immigrants into the country, so far as their rights or treatment are concerned. It is true that owing to the vicinity of Burma to India and the development of the system of Indian seasonal immigration for years past, the question of Indian immigration into Burma is in a different category from that of Indian immigration into other countries. But there is a serious risk involved in endeavouring to secure the rights of the domiciled Indians by sacrificing the right of Indian immigration into the country. The analogy of South Africa should not be forgotten in this connection. The Indian community there voluntarily accepted under the Smuts-Gandhi Agreement the total prohibition of further Indian immigration into South Africa in the

hope and with the expectation that the status of the resident Indian population would be maintained and improved The same motive actuated them when they accepted the Assisted Repatriation Scheme under the Cape Town Agreement and sent back to India some 20,000 of their compatriots Under this Agreement, it will be recalled that the South African Government undertook to treat the Indian population as an integral and permanent part of the Dominion It is well-known how these hopes have been completely frustrated and the position of the domiciled Indians there has been steadily deteriorating This example serves to show that in the long run, it would be detrimental to Indian interests to try to obtain temporary advantage for the domiciled population by sacrificing the fundamental constitutional right of entry of Indians into that part of the British Commonwealth.

The Committee have to state that Indians in Burma are entitled to the fullest rights of citizenship and on this fundamental issue, there should be no compromise on the part of the Government of India. The problem of Indians in other parts of the British Commonwealth and in foreign countries has become acute and is causing immense anxiety in the country. It is, therefore, essential that the position of Indians in Burma which is far from satisfactory at present and has been deteriorating since its separation, should be set right both in the interests of Burma and India, so that Indians can play their part in co-operation and harmony with Burmans themselves in the economic and political development of the country

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Copy of letter No F -61-8/39-O S , dated the 19th July 1939, from the Government of India, Department of Education, Health and Lands to the Chamber.

I am directed to acknowledge the receipt of your letter dated the 24th June 1939, regarding the Commission of Enquiry into Indian immigration and to say that the terms of reference of the Commission are virtually identical with the recommendations of the Royal Commission on Labour in India The interim report of the recent Riots Enquiry Committee also emphasised the necessity for some authoritative fact-finding enquiry if Burman apprehensions were to be allayed It being admitted that no reliable data are available it would not be possible to limit the scope of the proposed enquiry.

2. As regards the composition of the Committee, I am to inform you that this was determined after careful consideration and with the concurrence of the Government of Madras. The Government of India are satisfied that the Indian assessor will be appointed by the Government of Burma after consultation with the Indian community there and will represent the views of that community. I am also to draw

your attention to the fact that apart from themselves giving evidence all Indian interests will be able to avail themselves of the assistance of the Agent of the Government of India in Burma who will be appointed at an early date.

3. The question of the grant of compensation for loss of Indian lives and property has been referred to the Secretary of State for India for his decision.

PROCEDURE FOR ENROLMENT ON THE ELECTORAL ROLL OF OCCUPIERS OF PREMISES FOR THE CALCUTTA MUNICIPAL ELECTION.

Letter No. 1812, dated the 4th September 1939, from the Chamber to the Government of Bengal, Department of Public Health and Local Self-Government

The attention of the Committee of this Chamber has been drawn to the election notice issued by the Chief Executive Officer of the Calcutta Municipal Corporation regarding franchise of occupiers of premises and owners of huts for the Sixth General Election of Councillors under the Bengal Act III of 1923 as amended. The Committee find that the Chief Executive Officer, in the capacity of the Registering Authority, has invited applications from persons possessing certain qualifications for entry of their names in a Register to be prepared with a view to enable them to vote at the Municipal Election to be held in March 1940 The Election Notice *inter alia* states that such applications shall comply with the formality specified in paragraph 3 of the Government Order published in the *Calcutta Gazette* dated the 4th August 1939. The Committee find that the paragraph 3 quoted in the Notice is part of the Draft Rules for the preparation and publication of the Electoral Roll, published by the Government for objections and suggestions under Notification No 1191-M dated the 4th August 1939. The Chief Executive Officer as the Registering Authority has probably deemed it proper to quote from the Draft Rules and require persons desirous of enrolment on the Electoral Roll to comply with the provisions of the same on the assumption that the Draft Rules will be finalized as they are and in order to save time.

Paragraph 3 referred to above however requires that every application shall be made in Forms A or B and shall contain the declaration about correctness of the particulars and the declaration shall be signed "in the presence of the owner or any of the owners of the premises or parts of the premises in respect of which the rent was paid." The Committee would point out that such a requirement would prove very difficult to the tenants to comply with. In a number of cases the owners of the buildings stay out of Calcutta or may not be present in the town at the time the application is to be made. In such cases

the Committee would state, a large number of tenants would be prevented from being enrolled on the Electoral Roll though they may be qualified to exercise the vote in every other respect The Committee would therefore suggest that this clause should be amended so as to provide that any satisfactory evidence adduced by the tenant such as a receipt for rent passed by the owner, should be deemed sufficient for enrolment of the tenants on the Electoral Roll Such a provision would easily be complied with and the tenants would be spared of the unnecessary trouble of signing declaration in the presence of owners In case the Government does not find this suggestion acceptable the Committee would suggest that at least any person authorised by the owner in this behalf should also be entitled to sign the declaration In view of the important question of disfranchisement of a large number of tenants by this requirement, the Committee trust the Government would give serious attention to the matter and amend the draft rule as suggested.

NURSING STAFF AT THE CAMPBELL HOSPITAL.

Letter No 1391, dated the 17th July, 1939, from the Chamber to the Superintendent, Campbell Hospital

The attention of the Committee of this Chamber has been drawn to the inadequate nursing staff at the Campbell Hospital The Committee have received a complaint from one of the members of the Chamber that on certain days there was only one nurse in attendance for a whole ward containing a number of beds on the ground floor as also on the upper floor. If this is the case, the Committee feel one nurse would naturally be unable to look after so many beds and patients would have to undergo certain amount of difficulties The Committee need hardly emphasise the importance of having an adequate nursing staff in such an important hospital and they would be glad if you will kindly enlighten them about the position in the matter In case the complaint mentioned above is correct, the Committee would suggest that it is essential that steps should be taken immediately to see that an adequate nursing staff is maintained in the hospital.

An early reply will oblige.

Copy of letter No 3668, dated the 20th/21st July, 1939, from the Superintendent, Campbell Medical School and Hospital to the Chamber.

With reference to your letter No. 1391 dated the 17th July 1939, I beg to inform you that the state of nursing in the Campbell Hospital at the present moment is far from satisfactory but a scheme for provid-

ing adequate nursing has been approved by Government and will be put into force sometime in October 1940. I thank you for the interest you are taking in this Institution.

ORDERS FOR CLOTHINGS FOR THE GOVERNMENT OF INDIA'S DEFENCE PROGRAMME

Copy of letter No 317/M.G (C), dated the 24th July, 1939, from the Government of India, Defence Department (Army Branch) to the Chamber.

Purchase of certain clothing materials etc in India and abroad

With reference to your letter No 83, dated the 18th January 1939, to the address of the Department of Commerce, on the above subject, I am directed to forward herewith a statement,* together with copies of the specifications referred to therein, detailing the information required by you. The statement relates to the quantities of the various materials referred to in part (*a*) of the starred questions No 2006 put by Mr Manu Subedar in the Legislative Assembly on the 9th December last It is presumed that the orders referred to in your letter under reply are in respect of the quantities aforesaid.

ESTABLISHMENT OF NON-INDIAN CONCERNS IN THE COUNTRY.

Letter No. F-1360, dated the 3rd August 1939, from the Federation of Indian Chambers of Commerce & Industry to the Chamber.

I am directed to request you to kindly give your consideration to the following and to give whatever help and information you can in the matter.

The Research Department of the Federation has under preparation a short monograph on "The future of foreign capital in India with special reference to the establishment of non-Indian concerns" The establishment of non-Indian concerns behind the Indian tariff wall is a menace which is growing at a rapid pace in recent years, and a time has come when all thinking-minded people should examine the full implications of this development and take suitable remedies in time to check some of the most undesirable aspects of this development The purpose of the present monograph is to examine the whole question with all its implications and to suggest remedies for the regulation and control of non-Indian concerns working in India Unfortunately, the statistical data which are necessary for an authenticated document are conspicuous by their absence. The Department will make use of all the statistics that are available but I should feel very much obliged if you

*Not printed.

will kindly provide particular information on the points mentioned below by way of answers to the three sets of questions —

A. (*i*) Is there a firm within your area or Province which is owned, controlled and managed by foreign companies?

(*ii*) Could you give any information regarding the profit record of the said firms over a period of the last three years?

(*iii*) Could you give any information about the policy of such firms regarding the employment of superior staff? Could you support the contention that the foreign firm is a virtual preserve of foreign or semi-foreign technicians and educated persons, so far as the higher services are concerned?

B. (*i*) Is there a firm within your area or Province which goes under the name, "India Limited concern", presumably with a rupee capital and Indian directorate?

(*ii*) Could you supply any information regarding the profits as well as the employment policy towards the superior staff of such concerns?

C. Do you know of any instances within your area of genuine and Indian firms which are driven to the walls by fair or unfair competition from such foreign or semi-foreign concerns?

You will see from the nature of the questions that any answer to these questions will provide factual data which would be valuable in the preparation of the proposed monograph The monograph is primarily designed with a view to enlighten the legislators on this question, while they will be discussing this question in the Simla Session of the Central Legislative Assembly. I have, therefore, to request you to kindly send your replies and also your suggestions so as to reach this office before the 14th August, 1939

Reports about closing the Hessian Exchange

Letter No 1635, dated the 11th August, 1939, from the Chamber to the Government of Bengal, Department of Commerce.

I am directed by the Committee of the Indian Chamber of Commerce, Calcutta, to invite your immediate attention to the strong rumour that the Government of Bengal are contemplating to close down the Hessian Exchange with immediate effect The Committee would like to submit that such an action taken without full investigation will cause great consternation in trade circles and is likely to create panic undermining the confidence of the trading community in the stability of legitimate business commitments. Such an action would also seriously affect the interests of sellers and purchasers of contracts for

enormous quantities of hessian held by traders. It is obvious that such a sudden stoppage of the transactions in the Exchange would also cause serious repercussions on the prices of both the hessian and jute. In the opinion of the Committee, therefore, any hasty action would be highly injurious to trade interests and they request the Government to postpone final orders till the matter is fully investigated.

TREATMENT OF INDIAN RESIDENTS IN ABYSSINIA, ITALIAN SOMALILAND AND ERITREA

Letter No 1347, dated the 10th July 1939, from the Chamber to the Government of India, Education, Health and Lands Department.

The attention of the Committee of this Chamber has been drawn to the report that a large number of Indians resident in Abyssinia, Italian Somaliland and Eritrea are subjected to certain regulations which are of a discriminatory and highly humiliating nature The Committee learn that these Indian residents are prohibited from entering hotels, restaurants and cinemas, from using cars driven by Europeans and public buses, from travelling by trains in the first and second classes, from entering the main Post and Telegraph Offices, using waiting rooms, being treated in hospitals as indoor patients and carrying on business in centres of cities. The Committee further understand that in spite of repeated efforts, extending over more than two years, to ameliorate this position, the grievances continue to be unredressed. The Committee need hardly emphasise the intolerable character of such regulations and they submit that the Government of India should make an early enquiry in the matter and take up the same, if necessary, through the Secretary of State for India with the Italian Government

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Letter No 1408, dated the 18th July, 1939, from the Chamber to the Government of India, Department of Education, Health and Lands

I am directed to invite reference to my letter No. 1347 dated the 10th July 1939 regarding treatment of Indians in Abyssinia, Italian Somaliland and Eritrea The Committee learn that the British Ambassador at Rome has at the instance of the Government of India represented the matter to the Italian Government with a view to secure removal of these restrictions and that the Italian Authorities have replied that the restrictions are necessary in the interest as much of the Italian people in Abyssinia as of non-Italian coloured people for Italians it is said are not accustomed to deal with other races and free contact between them might result in unpleasant incidents. The Committee need hardly point out that Indians in Abyssinia and these parts

come mostly from respectable merchant and Traders class and are fully experienced in dealing with men of many nationalities Moreover, it is reported, the restrictions were originally intended for the Abyssinians but have been without any reason extended to the Indian residents The Committee feel there is therefore hardly any justification for the belief that free contact between the Italians and the Indian residents would result in unpleasant incidents The Committee would point out that such an excuse can easily be put forth for subjecting the Indian residents to any number of irksome restrictions and they would suggest that the Government of India should therefore make a strong representation in the matter to the Italian Government through the British Ambassador and if necessary, should take retaliatory measures against Italian residents in India. The Committee trust the matter would receive your serious consideration

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Copy of letter No F-8-N/39, dated the 24th July, 1939, from the Government of India, External Affairs Department to the Chamber.

Re: Grievances of Indians in Abyssinia

With reference to your letter No 1347 dated the 10th July, 1939 I am directed to state that the matter of the disabilities, under which Indians labour in Ethiopia, has already been taken up by the Government of India and representations were made to the Italian Government through His Majesty's Ambassador at Rome in April last with a view to securing the removal of those disabilities

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Letter No 1472, dated the 26th July, 1939, from the Chamber to the Federation of Indian Chambers of Commerce and Industry.

I write to refer to my letter No. 1459 dated the 24th July 1939 regarding the disabilities of Indian resident traders in Italian East Africa. As you will find from the said letters addressed by this office to the Government of India, this office has suggested the adoption of retaliatory measures against Italian residents in India if adequate steps are not taken to remove the disabilities suffered by Indians in the above mentioned Italian territories Besides this, the Committee also discussed the possibility of adopting boycott of Italian goods as a means to bring pressure on Italian Government to redress the grievances of Indian residents. I have to request you to kindly place the suggestion before the Committee to see whether an All-India move is to be made in this direction. It is, however, essential that in order to be effective whatever action is to be taken should be taken without any loss of time.

Copy of letter No F.-1416, dated the 10th August, 1939, from the Federation of Indian Chambers of Commerce and Industry to the Chamber.

In continuation to my previous letter No. 1306 dated the 26th July, 1939 I am directed by the President to communicate to you that the suggestion made by your Committee regarding the adoption of boycott of Italian goods would not be feasible, as he feels that it would be futile to talk of boycott of Italian goods as long as there are no sanctions behind such a decision of the Committee and any such resolution would unnecessarily aggravate the matter without bringing any relief to the Indian residents in the Italian territories It is further suggested that the deterioration in the position of Indians abroad could probably be remedied if the Government of India are persuaded to introduce suitable legislation whereunder reciprocal treatment would be accorded to citizens of foreign countries in India I am forwarding this suggestion to the Government of India for their consideration. I am also writing to Government to enquire into the treatment of Indians in the Italian East Africa and to make suitable representation in the matter to the Italian Government

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CONGESTION OF TRAFFIC IN ARMENIAN STREET ETC

Copy of letter No. 6048(3), dated the 29th June, 1939, from the Commissioner of Police, Calcutta to the Chamber.

I have received complaints concerning the obstruction of Armenian Street, Amratola Lane and Portuguese Church Street by lorries and carts engaged in conveyance of goods for firms located in those areas. It seems that this congestion could be much minimised if these merchants engage a sufficient number of men to load and unload the goods more expeditiously. I shall be obliged if you would communicate to me the views of the members of your association or any alternative suggestion in the matter.

Letter No. 1953, dated the 20th September, 1939, from the Chamber to the Commissioner of Police, Calcutta

I am directed to invite reference to your letter No. 6048(3) dated the 29th June 1939, regarding congestion of traffic in Armenian Street, Amratola Lane, and Portuguese Church Street. While the Committee agree that there is congestion of lorries and carts in these areas, they are of opinion that the congestion is not entirely due to the merchants not engaging sufficient number of men to load and unload goods. Although the congestion may be minimised by moving the goods more

expeditiously the Committee feel it also requires adequate supervision in the locality concerned in order that carts and lorries not engaged by any merchants may not unnecessarily stand there in expectancy of being engaged. Owing to the absence of proper supervision congestion is bound to result even when sufficient number of men are engaged by the merchants The Committee therefore feel that the problem should be examined also from this view point and they would be glad if your Department carefully considers the same The Committee trust that the matter has been discussed in the Traffic Advisory Committee and if not they would suggest that it may be placed for discussion in the Advisory Committee

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PRICE CONTROL AND THE MEASURES ADOPTED BY THE GOVERNMENT OF BENGAL TO STOP PROFITEERING.

JOINT REPRESENTATION DATED THE 11TH SEPTEMBER 1939, FROM THE PRESIDENT OF INDIAN CHAMBER OF COMMERCE AND THE PRESIDENT OF BENGAL NATIONAL CHAMBER OF COMMERCE TO THE HON'BLE THE MINISTER-IN-CHARGE OF HOME DEPARTMENT, GOVERNMENT OF BENGAL

We are desired by the Committees of the Bengal National and the Indian Chambers of Commerce to address you regarding the measures recently taken by the Government of Bengal in checking certain alleged cases of profiteering. We have from our respective Chambers addressed the Government of Bengal in the Commerce and Labour Department on the general question of profiteering and the principles which should determine the action of the Government in this respect. We have assured the Government of our whole-hearted support to any measures for checking profiteering, in the case of the daily necessities of life etc. and have also offered certain constructive suggestions.

2 Our object in writing this letter to you on the present occasion is, however, to lodge on behalf of the Chambers our strong protest against the unduly harsh and drastic measures which were taken by the Police late on Tuesday night and early on Wednesday morning. The Chambers have noted with regret that respectable persons like the directors of manufacturing and trading firms, having been in many cases personally unaware of the rise in prices effected, were harassed and humiliated by being arrested late in the night and in the small hours of the morning and being detained for a considerable time This encroachment on the civil liberties of businessmen has created serious misgivings and panic amongst persons engaged in trade and commerce,

and is calculated to alienate the sympathy of the business community towards a successful control of 'profiteering'. The uncertainty and loss of confidence created by this hasty and drastic action nearly paralysed business in several localities for a few days and even now businessmen are afraid to reopen shops and do business for fear of future action especially as no schedule of maximum prices has been enforced.

3. While the Chambers do not desire to raise any legal question as to the powers of the Government to effect such widespread arrests on the ground of raising the prices, they feel strongly that the Government would have been well-advised if before taking any such drastic action, they had issued timely warning to the firms and directors and notified the merchants and shopkeepers to adjust their prices in a reasonable manner and had even imposed heavy fines as penalties for actual cases of profiteering The sudden action and arrests came as a surprise to most people who were, in fact, unaware of any such order. The Chambers are prepared to admit that the rise in prices effected was in some cases quite unwarranted, but they cannot at the same time emphasise too strongly the unreasonable character of the orders which were issued by the Government to arrest any person who raised his price above the level existing "a week ago before the declaration of the War". Such an arbitrary and sweeping rule cannot obviously be applied to the price level of any commodity, particularly during an abnormal period like the present A variety of factors, unconnected with any desire of the manufacturer or trader to take advantage of the situation arising out of the War, influences to a considerable extent the prices of commodities, and if they are forced to keep down their prices to a level fixed without any reference to these factors, they will have to suffer heavy losses Even the Government of India have in their latest Communique recognised that a rise of 10% on the price level ruling on the 1st of September, is not to be considered unwarranted, and the Chambers do not find any reason as to why the Government should have insisted on a return to the price level obtaining a week ago before the declaration of the War While steps should no doubt be taken to check profiteering, the Chambers cannot too strongly deprecate the serious encroachment on the liberty of the business community in the name of checking profiteering. They are of opinion that the unnecessary harassment and humiliation which was caused to the persons arrested was absolutely uncalled for and unjustifiable. The Chambers sincerely trust that in deciding on any measure that may be taken hereafter, the Government of Bengal will be pleased to issue definite instructions to the Police not to indulge in such reckless and wanton interference with the civil liberty of individual businessmen.

Letter No 1879, dated the 13th September, 1939, from the Chamber to the Government of Bengal, Department of Commerce & Labour.

I am directed by the Committee of the Indian Chamber of Commerce, Calcutta to invite reference to the Order published by the Government of Bengal on the morning of the 6th September 1939 under the Defence of India Ordinance to stop "profiteering" in the city and to the subsequent discussion held in this connection at the conference convened by the Hon'ble Minister for Commerce and Labour on the following day. The Committee have also seen the notification issued by the Government of India on the 8th September 1939 on this subject and the press communique issued by the Government of Bengal on Monday last (11th September) and have to offer the following views on the question of the regulation and control of prices.

The Committee note that the Government of Bengal "have decided to fix and regulate the prices of the principal items of foodstuffs, medicines, medicinal supplies, salt, kerosene oil and cheaper varieties of cloth" and that they are appointing a Controller of Prices who "in consultation with an advisory council" consisting *inter alia* of representatives of trade and commerce "will fix prices, make necessary modifications in the schedule of the commodities in respect of which the prices are to be controlled and do other things in connection therewith". The Committee further note that the price regulation will apply to both retail and wholesale trading While the Committee appreciate the necessity of such regulation and control of prices under the present exceptional circumstances in order to prevent undue advantage being taken of the situation to raise prices above the reasonable level, they would submit that the question of what constitutes "profiteering" in the various trades and in regard to various commodities should be carefully considered before prices are definitely fixed. The Committee need hardly point out that under such abnormal circumstances as the present one certain amount of alround increase in prices is inevitable. Requisitioning of large quantities of essential commodities by the Government for war purposes, for the maintenance of the troops on the one hand and for the manufacture of arms and ammunition on the other, shortage in the supply of available tonnage for overseas trade and also to a certain extent in inland transport facilities, inevitable increase in shipping freight rates due to shortage of tonnage and increase in war risk insurance and various other factors created by the abnormal situation of a major war necessarily result in a substantial increase in prices of various commodities and manufactured articles. It is obvious that this general increase in rates and prices is bound to affect, more or less, all commodities and services including agricultural produce, foodstuffs etc. This has been recognised by the Government of India

in their press communique of the 8th September 1939 in which they stipulate that any orders which the Provincial Governments might make for the regulations of prices "shall not subject the prices. . . .. to a minimum lower than 10% above the ruling prices at the same stage on the 1st September 1939". It will be noticed that the Central Government have fixed 10% above the prices on 1st September as the limit below which maximum prices should not be fixed by the Provincial Governments. The Committee would like to make it clear that what they are contending is not that any particular trade interests should be allowed to make larger profits but that the circumstances in respect of certain trades have been such that the prices ruling on 1st September or during the immediate pre-war period cannot be taken as fair and normal and a mere 10% increase on those prices may not meet the case and may even place the dealers or manufacturers in loss. The Committee also note that for the present the Government of Bengal intend to control the prices of only "the principal items of foodstuffs, medicines, medicinal supplies, salt, kerosene oil and cheaper varieties of cloth" as detailed in the schedule attached to the press communique issued on Monday and they are emphatically of the opinion that such regulation should not be extended in scope or extent beyond what would be necessary for "maintaining supplies and services essential to the life of the community" as enunciated by the Government of India.

The Committee would now refer to particular commodities or groups of commodities mentioned in the schedule. As regards foodstuffs and other agricultural staple commodities, the Committee have to point out that the prices of these commodities have been very low for a long time and the cultivators as also the dealers have been anxiously awaiting improvement in these prices The Government of Bengal have themselves recently taken steps to raise the prices of jute in order to ensure an adequate return to the cultivator Commodity prices, the Committee may point out, are regulated by international factors, particularly in the case of staple commodities *e.g.* rice, wheat, etc. India as a debtor country, producing primary materials, suffered greatly on account of the depression and although agricultural prices showed a tendency to improve in 1937, there was again a recession with the beginning of 1938 and in the case of several commodities the prices fell to an unprecedented level The Committee therefore hold that the present increase in agricultural prices owing to the operation of world factors should be rather welcomed as affording some compensation to the cultivators and the dealers for the uneconomic prices which prevailed till now. The Committee feel that the producer and the dealer in these commodities should not be deprived of the benefits of increase in prices when under ordinary circumstances such increase would naturally have been expected. In view of this the Committee are of

opinion that prices ruling on the 1st September, 1939 could not be justifiably taken as the basis in the case of foodstuffs and agricultural produce for the fixation of future prices.

As regards salt, the Committee understand that the present stock of various qualities of salt in the Government bonded warehouses at Calcutta is about 6½ lac maunds About 1½ lac maunds of salt are afloat and a further 2 lac maunds are expected to arrive during the month. The normal consumption of salt per month is, however, about 12 lac maunds in Bengal and there would obviously be a shortage of about 2 lac maunds if effective steps are not taken to ensure more supplies But the tonnage available for salt is very meagre and the indications are that steamer freight rates are also sure to go up by about 8 annas per maund. Under these circumstances the prices of salt would naturally go up on account of shortage of supply as they did during the last war when prices rose to Rs. 500 per 100 maunds The Government had to fix the price at Rs 240 for Aden quality ex-ship in February 1938 and Rs. 8 higher for Liverpool salt The main reason for the existing small stocks, in the opinion of the Committee is the low prices of salt prevailing for the last two or three years, and the Committee believe that unless a fair selling price is assured to the dealers here, further supplies of salt may not be ordered and the province will have to face serious shortage of salt during the coming months Salt being an essential commodity of daily use not only by each and every individual but also for cattle, any such shortage would mean great hardship specially to the poorer classes and the Committee therefore, urge that while fixing the prices of salt, the Government should keep in view the necessity of maintaining an adequate supply.

As regards drugs and medicines, the Committee would point out that Bengal holds an important place in the manufacture of chemical and pharmaceutical products in India and the industry has only been recently established mostly by middle class *entrepreneurs* This industry is one of the essential and key industries vital to national economy and important not only for the preservation of public health but also from the viewpoint of defence as an essential requirement in times of war. In the case of this Industry also insurance and steamer freight rates have gone up, the prices of ingredients used in the preparation of a number of medicines which have to be imported from foreign countries have risen and the supplies of several chemicals is practically stopped. All these factors coupled with the anticipation of restricted supplies and hence lesser turnover is bound to increase the cost of the manufacturers and the dealers. The Indian Chemical Manufacturers' Association which is a body affiliated to this Chamber are submitting a separate detailed representation in this connection and the Committee trust that efforts at price control would not unduly jeopardise the vital

interests of this industry which would be disastrous at present when foreign supplies of medicines are likely to be seriously curtailed.

As regards piece-goods, the Committee find that certain 'ordinary' varieties are included in the schedule. The condition of this industry which is at present entirely different from what it was a few years back requires very careful consideration. As a result of a comparatively prosperous good period, the production of piece-goods has been continually increasing but since the last year partly owing to competition from foreign manufacturers and partly owing to increased production, the stocks began to accumulate and a serious slump overtook the industry. The market prices have fallen during the last twelve months by about 15 to 20 per cent. As a matter of fact, it is common knowledge that a few weeks before the entire piece-goods market in Calcutta was threatened with heavy losses. So far as the manufacturers are concerned, whereas the market prices of piece-goods came down by about 15 to 20 per cent. as pointed out above, the prices of raw cotton have considerably increased by as much as about 30% over last year's prices. It is, therefore, obvious that unless the prices of piece-goods improve to the extent of at least 30 to 35 per cent over those prevailing during the period just before the outbreak of war, mills may not be able to work full shift and with advantage. In fact, the mills in Bengal had been eagerly awaiting a rise at the time of the Puja as the price of some of the varieties of piece-goods had fallen to the lowest level reached during the last quarter of a century. The textile industry in Bengal is of comparatively recent growth and most of the mills in the province have not yet developed into economic units. Costs are therefore, naturally higher and the Committee believe that unless the Government adopts a sympathetic attitude and fixes the prices of the scheduled varieties of piece-goods at a sufficiently high level over the pre-war prices, the industry in Bengal would be placed in a very unfortunate position. In this connection, the Committee would like to invite the immediate attention of the Government to the fact that on reports received from mofussil centres during the course of the last two or three days, it appears that owing to undue harassment by the police in the mofussil markets, dealers are almost in a panic and the Puja sales now on have been practically stopped. This situation is bound to have very serious repercussions on the entire Calcutta market and the Committee are strongly of opinion that pending detailed consideration of the question and the fixing of prices, immediate instructions should be issued by the Government to the mofussil authorities to stop undue interference with legitimate and normal activities of the dealers.

The Committee trust that the particular circumstances of each trade as outlined above will be carefully considered by the Government while

fixing maximum prices for the scheduled commodities. There are, however, several other factors which will have to be taken into consideration while fixing prices For example, the markets of Calcutta serve not only Bengal but also Bihar, U. P. and Assam and other inland centres Calcutta is a distributing centre for these provinces as also an outlet for their agricultural commodities. The prices in the Calcutta market will therefore have to bear relation to the prices in these other centres. The Committee would also like the Government to take into account certain broader considerations When all other countries in the world, particularly the manufacturing countries will be making legitimate gains from the present international situation, there is no reason why India should be deprived of her share of the benefit.

The Committee are glad to note that the Government are appointing an advisory committee in order to advise and guide the Government in the admittedly complicated task of fixing and regulating the prices during the present emergency The Committee trust that the advisory committee will be constantly kept in touch and consulted on all matters.

Before concluding the Committee would like to suggest that a Tribunal should be appointed to hear appeals from aggrieved persons against the decisions of the Controller of Prices The Tribunal should have a judicial officer as Chairman and two members who may be appointed by the Government from among the business community. The Committee believe that the setting up of such a Tribunal is very essential for the smooth working of the scheme

The Committee trust that the Government would give careful consideration to the suggestions made above.

Letter No. 2092, dated the 7th October, 1939, from the Chamber to the Chief Controller of Prices, Bengal.

I am directed to refer to the communique issued by the Government of Bengal regarding price control on the 28th September, 1939 and to forward to you herewith a copy of a letter* received from one of the members of the Chamber. The Committee had an opportunity previously also of stressing the desirability of the Government communicating their orders regarding price control with the least possible delay to all mofussil centres so that there may be no inconvenience caused to merchants and traders in those markets. The Committee trust that you will kindly look into the matter and make necessary arrangements so that the price control orders of the Government are intimated to the mofussil authorities without any loss of time.

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*Not printed.

Letter No. 2549, dated the 11th/12th December, 1939, from the Chamber to the Chief Controller of Prices, Bengal.

I am directed to invite reference to the Press Communique issued by the Government fixing maximum prices for certain articles like, spices and vegetables, matches, kerosene oil, dal, sugar, wheat, flour etc., under rule 81(2)(*b*) of the Defence of India Rules for Calcutta and the suburbs. The Committee are considering the prices fixed for the various articles and they will address suitable representations to you regarding them. They would however like to point out that it would have been advisable if the Government had fixed the prices of these articles after consulting the Advisory Committee appointed by the Government in connection with regulation of prices. The Committee need hardly mention that it is one of the functions of the Advisory Committee to apprise the Government about the conditions prevailing in each trade which are to be taken into consideration before maximum prices of the various articles are arrived at. The Committee regret to find that while fixing the prices published in the Press Communique under reference, the Government did not consider it necessary to consult the Advisory Committee. They however trust that in future, the Advisory Committee would be consulted beforehand on all such important matters.

The Committee would also point out the necessity of giving sufficient time to the various members of the Advisory Committee to consult the various trades and interests who are affected by the prices to be fixed. As you may be aware, this Chamber has appointed various standing sub-committees representing a number of trades and the representative of the Chamber on the Advisory Committee would naturally consult the sub-committee of the trade affected before tendering his views to the Government. The Committee trust you will kindly keep in view this procedure while consulting the members of the Advisory Committee in future.

Fixation of price of Salt

Telegram dated the 8th September, 1939, from the Chamber to the Central Board of Revenue.

In view of small stock of salt and restricted import due to serious uneconomic prices prevailing throughout last two years and also on account present acute scarcity of tonnage salt shortage in Bengal within one month apprehended. Present stock in Government bonded warehouses only seven lac maunds afloat one and half lacs expected arrival during this month two lacs against normal monthly consumption twelve lacs therefore definite shortage of supply one and half lacs maunds

Committee Indian Chamber request Government take immediate steps to ensure adequate supplies and arrange with shipping companies so as to secure manufacturers sufficient tonnage which alone will prevent serious salt shortage

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PRICE-CONTROL OF SALT IN SARAN DISTRICT (BIHAR)

Letter No 2248, dated the 24th October, 1939, from the Chamber to the Collector of Saran, Chapra.

Re · Price Control.

I am directed to invite your kind attention to a letter dated the 16th October, 1939* addressed to you by Messrs Bisesarlal Co., Salt Merchants of 4, Jagmohan Mullick Lane, Calcutta who are a member of the Chamber. The Committee understand that some of the stock of Messrs. Bisesarlal Co is lying with their agents in your district and the police authorities are compelling them to sell the stock at a rate which is lower than their cost price on the basis of the figures supplied by Messrs Bisesarlal Co to you. I am also directed to invite your attention in this connection to the Press Communique issued by the Government of India on the 29th September, 1939 clarifying the position with regard to interprovincial trade and with regard to stocks of goods coming from one province held by merchants in another province. The Committee understand that the agents of Messrs Bisesarlal Co are being put to unnecessary loss owing to the action of the authorities in compelling them to sell at lower rates than those justified by the information already forwarded to you and they trust that you will kindly look into the matter and do the needful.

Copy of Memo No 20290, dated the 9th November, 1939, from the District Magistrate, Chapra to the Chamber.

Copy forwarded to the Secretary, Indian Chamber of Commerce, 102-A, Clive Street, Calcutta for information with reference to his letter No 2248, dated the 24th October 1939.

(Enclosure).

Copy of letter No 20060, dated the 3rd/6th November, 1939, from the Collector of Saran to Messrs Bisesarlal & Co., Calcutta.

I have the honour to acknowledge receipt of your letter dated the 16th October, 1939 on the subject of the stock of Hamburg salt held by you in the district of Saran The prevailing price of salt in the district of Saran immediately before the War was Rs. 5/- to Rs. 5/4/- per bag of two maunds. After the issue of the original notifications

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*Not printed.

empowering fixation of price subject to the maximum being not less than pre-existing prices plus 10 per cent. the price for the best quality of pre-existing stocks worked out at Rs. 5/12-/6 per bag of two maunds. Subsequently on account of rises approved by the Controller of Prices, Bengal, the rate fixed in Saran district had to be put up to fresh importations only to Rs. 6/3/- per bag

2. You mention in your letter that the Government of Bengal have fixed the rate of salt at Rs 122/- per 100 maunds. You do not mention however the date from which this order became effective and also that it applies only to new shipments.

3. It is understood that your stock of Hamburg salt now in this district was imported and removed from the ship before the outbreak of war and hence it is not clear why any price in excess of pre-war price plus 10 per cent should be allowed for this old stock of salt. It is suggested that you give your reply as to the above mentioned points.

Letter No 2437, dated the 2nd December, 1939, from the Chamber to the Collector of Saran, Chapra

I beg to acknowledge receipt of your Memo No 20290, dated the 9th November, 1939, forwarding a copy of your letter addressed to Messrs Bissesarlal & Co regarding stocks of Hamburg Salt held by them in your district. While the enquiries addressed by you to Messrs. Bissesarlal & Co. in your letter will be replied by them directly, the Committee would point out that the distinction between old stock and new stock which you have sought to make out in your letter is not justifiable in view of the recent decision arrived at the Conference regarding Price Control measures convened by the Government of India some time back As you may be aware, it was generally agreed at the Conference that no distinction between old stocks and new stocks could be made in view of administrative and other difficulties The Committee understand that the principles accepted at this Conference are generally to govern regulation of prices throughout all Provinces and they would therefore request you to kindly consider this particular case also in light of the same.

Regulation of Prices of Piece-goods.

Telegram dated the 14th September, 1939, from the Chamber to the Hon'ble Mr Suhrawardy, Commerce Minister, Government of Bengal.

(Similar telegrams were sent to the Premiers of U. P., Bihar, Assam and Orissa).

Committee Indian Chamber of Commerce received numerous complaints and representations from Piece-goods Merchants and Textile

Industry regarding Price Control of Piece-goods As yourself no doubt aware prices of piece-goods have been unprecedentedly low during past fourteen months and Textile Trade was experiencing severe slump. Prices during immediate pre-war period were lower than August 1938 by about twenty per cent moreover prices of raw cotton gone up by thirty to thirtyfive per cent of chemicals sizing materials by 100 to 300 per cent Accordingly first September or immediate pre-war prices cannot be taken as normal basis Trade was in fact expecting some relief at present Puja season Committee strongly believe Government interference unjustified till prices return to normal namely 30 to 35 per cent above 1st September prices Committee therefore earnestly request Government to revise orders and instruct local authorities not to interfere with legitimate increase at least upto 35 per cent. above 1st September prices. Committee may point out Bombay Government not controlling piece-goods prices. Undue interference by police upsetting market and seasonal sales and if present Puja market time lost trade will experience great hardship please give matter immediate attention

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Telegram dated the 15th September, 1939, from the Chamber to the Millowners Associations, Ahmedabad, Bombay, Cawnpore and Coimbatore

Bengal Government fixed maximum limit piece-goods prices at ten per cent over 1st September rates Have approached Bengal Government that in view of prices having in preceding year abnormally gone down by fifteen to twentyfive per cent and due to thirty to thirty-five per cent. increase in cotton prices and hundred to three hundred per cent in chemicals sizing and colouring materials no regulation should be imposed until prices return to normal level namely at least thirty to thirtyfive per cent above first September prices when alone mills can work profitably However as textile industry and trade distributed throughout India Committee strongly feel whatever measures of price control for piece-goods are adopted must be uniform throughout India. Therefore urge your Association consider matter and take deputation to Central Government to formulate uniform proposals for whole India In view of urgency of matter request immediate attention and reply. Further great panic been created upcountry owing arrests and therefore buyers cancelling previous purchases Government of India should at least at present withdraw powers from Provincial Governments regarding piece-goods until uniform policy for whole India laid down.

Copy of letter No. W 200-7196H., dated the 19th September, 1939, from the Government of Assam to the Chamber.

With reference to your telegram of the 14th September, 1939 addressed to the Hon'ble Premier, I am directed to say that so far as this office are aware the control of Prices Order has not materially affected piece-goods. The Assam Government have taken every step possible to ensure fair dealing between the trade and consumers, and have communicated the gist of your representation to the Chairmen of the Committees

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Copy of letter No. 1611-Com , dated the 28th September, 1939, from the Controller of Prices, Bihar to the Chamber.

With reference to your telegram dated the 14th September, 1939 to the Hon'ble Prime Minister, Bihar, I am directed to say that in accordance with the orders issued by the Government of India, the price of the cheaper qualities of cotton cloth in this Province is not permitted to exceed a figure which is ten per cent. in excess of the price ruling on or immediately before the 1st September 1939 Dealers in this Province are dependent for their supplies on markets which are situated outside the Province and the control over the prices prevailing in those markets is a matter for the Provincial Governments concerned.

Letter No. 2063, dated the 2nd October, 1939, from the Chamber to the Controller of Prices, Bihar

I beg to acknowledge with thanks the receipt of your letter No 1611/VIIC 22/Com , dated the 28th September 1939 in reply to my telegram dated the 14th September, 1939 to the Hon'ble Prime Minister, Bihar regarding price control of piece-goods I am directed to point out in this connection that there appears to be some misunderstanding with regard to the interpretation of the orders issued by the Government of India I would invite your attention in this connection to the notification of the Government of India, Commerce Department dated the 16th September 1939 in which it is clearly pointed out that the maximum price fixed for sales at any of the above stages "shall not be *less* than a figure 10% above the ruling price at the same stage on 1st September, 1939". You will find that the 10% increase over 1st of September prices is the minimum and not the maximum for price increases by the Provincial Governments I hope since then your attention has also been drawn to the notification issued yesterday by the Government of India making the position clear with regard to price maxima. I am enclosing a copy of the resolution herewith for ready reference. This notification also covers the difficulty mentioned in your

letter regarding the sources of supply and markets being in different provinces

I trust in view of the clarification now made by the Government of India, you will kindly modify your orders accordingly

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Copy of letter No 1728-Com , dated the 10th October, 1939, from the Controller of Prices, Bihar to the Chamber

With reference to your letter No 2063 dated the 2nd October, 1939, I am directed to say that the present instructions are that the retail selling prices of cloth fixed in this Province should take into account the cost to the Bihar importer of obtaining delivery of cloth from markets outside the Province The Governments of Bombay and the Central Provinces furnish this Government with information of the latest prices current in the principal markets of those Provinces, and those prices are circulated in the districts of this Province

2. I am to say that the interpretation which you place upon the notification of the Government of India of the 16th September cannot be accepted and that your inference that a "maximum" is bound to be a "minimum" is not justified The notification does not mean that the maximum prices must be paid : it only means that the maximum to which prices may rise should not be less than a certain figure The position is now altered by the notification of the Government of India of the 28th September, 1939

PRICE-CONTROL OF PETROL.

Letter No. 2448, dated the 4th December, 1939, from the Chamber to the Chief Controller of Prices, Bengal

The attention of the Committee of this Chamber has been drawn to the recent enhancement in the price of petrol from Rs 1/2/- to Rs 1/4/6 The Committee learn that the increase of 2½ as per gallon has been mainly due to the increase in the amount recovered by the distributor Moreover a large portion of the petrol supply to India is imported from Burma and it is transported in the tankers owned by oil companies The Committee therefore feel there is little justification for an increase in the price of petrol at present

The Committee further learn that the petrol selling rates were increased with the sanction of the Government of India but they would suggest that the prices should now be controlled without further delay. Petrol has been sold at a controlled rate even in the United Kingdom Before the outbreak of war, two grades of petrol were marketed in the United Kingdom at 1*sh.* 5*d.* and 1*sh.* 7*d* per gallon and the duty was 9*d.* per gallon. On the declaration of war, however, the price

was fixed at 1*sh.* 6*d* per gallon and this was increased to 1*sh.* 9½*d.* per gallon on the 14th November, 1939

While the Committee appreciate that there are certain factors which increase the cost of transportation from Burma to India, they believe that it is necessary that petrol should be made available to the public at a fairly reasonable cost The Committee feel therefore that the Government should now control the price of petrol so that the same may not be enhanced further without any justification

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Copy of letter No 2090-P.C., dated the 8th December, 1939, from the Chief Controller of Prices, Bengal to the Chamber.

With reference to your letter No 2448, dated the 4th December, 1939, regarding the enhancement in the price of petrol, I have the honour to inform you that the rise was not permitted by this Government, but was allowed by the Government of India. Accordingly it will not be useful to write to this office. You may directly address the Government of India in the matter.

PRICE OF CERTAIN CHEMICALS QUOTED IN AN OPEN TENDER.

Letter No 2224, dated the 18th October, 1939, from the Chamber to the Controller of Stores, East Indian Railway.

The attention of the Committee of this Chamber has been drawn to the fact that on submitting open tenders to your railway quoting for the supply of certain articles, the parties tendering were asked to produce documentary evidence as to how the prices which they had quoted were arrived at The Committee presume that this action was probably taken to ascertain whether there was any attempt at charging high prices owing to the international situation The Committee feel, however, that when the parties had quoted in response to an open tender, such a request to produce documentary evidence as to how they had arrived at the rates quoted was hardly necessary It was open to the railway to accept only the lowest of the tenders You will appreciate that information regarding cost of production etc. is a thing which ordinarily the manufacturers or traders will not like to disclose. The Committee suggest that even if you had any apprehension about 'profiteering', the proper course would have been for you to approach the price controlling authorities. The Committee trust that you will appreciate the above point of view and let me have a reply at your early convenience.

Copy of letter No. S/SP/G64/182/C , dated the 8th November, 1939, from the Controller of Stores, East Indian Railway to the Chamber.

Thank you for your letter Ref. No. 2224 dated the 18th October 1939. We do make use of the price controlling authorities. We also have thought it better in some instances to refer to the firm direct in case it might have been possible to settle the matter more expeditiously.

FIXATION OF PRICE OF MEDICINES.

Letter No 2161, dated the 16th October, 1939, from the Chamber to the Chief Controller of Prices, Bengal.

I am directed to refer to the communique issued by the Government of Bengal on the 28th September last regarding control of prices The communique allows no rise on the prices of medicines and medical appliances *manufactured in India* over those ruling on the 1st of September, 1939. For imported medicines in stock an increase of 12½% over 1st September prices is allowed. The attention of the Committee has, however, been drawn to cases in which manufacturers want to take up new lines of manufacture owing to foreign supplies of these articles having been stopped. As there will be no basis of pre-war prices of Indian manufacture in respect of such medicines and medical appliances, I am directed to request you to kindly let me know as to what would be the basis of control in such cases The cost price in the case of manufacture of such new articles would necessarily be higher and the Committee trust that in these cases manufacturers would be allowed to sell medicines at a reasonable profit over their cost prices irrespective of pre-war prices of similar *imported* articles. It will be appreciated that unless this is done an expansion of manufacturing activities which is very essential at the present moment would not be achieved. I am also directed to refer in this connection to the Notification issued by the Government of India on the 29th September, 1939 with regard to price control of imported and other articles in modification of their previous notification.

I shall be glad to have an early reply.

Copy of letter No. 671-P.C., dated the 23rd October, 1939, from the Chief Controller of Prices, Bengal to the Chamber.

Manufacture in India of new medicines and fixation of prices thereof.

In reply to your letter No. 2161 dated the 16th October, 1939 I have the honour to state that your interpretation of the notification dated the 29th September, 1939 is perfectly correct. But it is very desirable that in case a new medicine manufactured in India is to be sold at a price higher than when it was imported before the war a

report should reach this office about the proposed price noting the corresponding price before the War. If the prices vary greatly a short note may be supplied to account for such variation so that no allegation of profiteering will stand.

PUBLICATION OF OFFICIAL PROCEEDINGS OF PRICE CONTROL CONFERENCE.

Letter No. 2257, dated the 25th October, 1939, from the Chamber to the Government of India, Department of Commerce.

I am directed to refer to the Conference held at Delhi on the 18th and 19th instant regarding the co-ordination of price control measures adopted by the various Provincial Governments The Committee have seen a press message issued by the Associated Press regarding the proceedings of the Conference but they feel that in view of the important questions discussed, it would be desirable if the Government of India published at an early date the Official Proceedings of the Conference

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INTERNMENT OF ENEMY SUBJECTS.

Telegram dated the 5th September, 1939, from the Chamber to the Government of India, Home Department.

Committee Indian Chamber understand certain Provincial Governments detaining even former Czechs and German Austrian Jews along with Germans Detention of Czechs German Austrian Jews and German technicians and experts would hamper industrial activity. Committee however understand it is not Governments intention that former Czechs and German Austrian Jews be interned and treated on same footing as Germans Committee therefore request Government issue definite instructions to all Provincial Governments accordingly Same consideration may be applied to German technicians subject to proper safeguards.

Telegram dated the 7th September, 1939, from the Chamber to the Government of India, Home Department.

In continuation our telegram fifth understand Orient Paper Mills Employees Messrs. Mailander and Zuckerbecker who are Jews as will be borne out by Calcutta Police records and Poschel who is former Czech arrested by Orissa Government as enemy aliens and sent for detention to Calcutta. If these persons who are technical experts are not released mill cannot work therefore request your kindly issuing immediate orders to Orissa and Bengal Governments for their release as Government of India never wanted Jews and Czechs to be arrested. They were arrested by mistake kindly wire action taken.

Copy of letter D O No. 21/124/39-Political(W), dated the 14th September, 1939, from the Government of India, Home Department to the Chamber.

In reply to your telegram dated the 5th September, 1939, I am desired to say that the internment of subjects of Germany has been carried out by Provincial Governments under instructions from the Central Government, which have been issued primarily for considerations of defence It is regretted that it is not possible at this stage to order any general release Individual applications for release will be considered in due course after investigation.

Letter No 2486, dated the 6th December, 1939, from the Chamber to the Government of India, Home Department

I am directed to invite reference to the correspondence resting with your D.O No 21/124/39-Political(W) dated the 14th September, 1939 regarding release of enemy aliens interned by the Government. The Committee learn from Press Reports that cases of several enemy subjects who had been detained by the Government have been examined by the Darling Committee appointed by the Government of India in this connection and that the cases of a few more are under consideration The Committee learn that several foreign employees of Messrs Orient Paper Mills Ltd , are also under detention and till now only one of them has been released by the Government The Committee need hardly point out the handicap which the Mill suffers owing to the absence of its technicians and they would be glad if you will kindly expedite the release of other internees of this Mill. The Committee would be glad to know as to what stage the cases of these persons have reached at present.

Copy of letter No 3157/39-Political, dated the 18th December, 1939, from the Government of India, Home Department to the Chamber.

With reference to your letter No 2486 dated the 6th December, 1939 I am directed to say that Messrs R. F. Mailander, H Zuckerbacker and Franz Poeschel of the Orient Paper Mills Limited have already been released. The cases of the other employees of this firm are under the investigation of the Aliens Interrogation Committee.

QUESTION OF RAISING A VOLUNTEER CORPS.

Letter No. 1853, dated the 7th September 1939, from the Chamber to the Commissioner of Police, Calcutta

I am directed to refer to the talk which Mr G. L Mehta, President of the Chamber and the undersigned had with you on Tuesday last. The Committee understand that for the present the main work in

connection with the defence of the civil population in the city is that of air raid precautions details about which have already appeared in the press. The Committee further understand that a volunteer corps of the European community in the city is being formed but that it is not proposed to form any other corps for the present. The Committee will, however, be willing to consider the question of extending suitable co-operation through its members and members of the Chamber to any scheme which may be drawn up later on for passive defence of the city's civil population and their property.

Copy of letter D O No. 8604, dated the 11th September, 1939, from the Commissioner of Police to the Chamber.

I write to acknowledge with thanks the receipt of your letter No. 1853 dated the 7th September, 1939 When the A. R. P. scheme develops I shall see how they can be fitted in.

PROTECTED AREAS UNDER THE DEFENCE OF INDIA RULES.

Letter No. 2110, dated the 11th October 1939, from the Chamber to the Government of Bengal, Home Department

I am directed to refer to the Notification issued by your Government declaring a number of places in Bengal to be protected places under the Defence of India Act, it being considered necessary and expedient that special precautions should be taken to prevent the entry of unauthorised persons into these places. The Committee of this Chamber feel that in view of the special importance attached to the textile industry at present on account of the International situation, the cotton mill areas in Bengal should also be included within "protected places". The textile industry not only supplies a vital need of the public but is also useful for defence services and the Committee trust the Government would find their suggestion acceptable.

Copy of letter D.O. No 288-P D , dated the 16th October, 1939, from the Government of Bengal to the Chamber.

I am directed to refer to your letter No. 2110 dated the 11th October, 1939 in which you propose that the cotton mill areas in Bengal should be declared 'protected places' under the Defence of India Rules and in reply, to state that at present Government consider that it would not be feasible or necessary to declare the suggested areas as "protected".

Letter No. 2356, dated the 11th November, 1939, from the Chamber to the Government of Bengal, Home Department.

I am directed to refer to your letter D.O. No 288-P.D. dated the 16th October, 1939, regarding protected places under the Defence of India Rules, and the inclusion of cotton mill areas therein. The Committee regret to note that the Government at present do not consider it feasible or necessary to declare cotton mill areas as "protected". They are, however, not aware of the reasons which have made the Government to arrive at this conclusion. But they would point out that the textile industry supplies a vital need in the life of the public and in case any interference arises with the smooth working of this industry, the public would have to encounter a great hardship. The Committee therefore feel that the textile mills should be included as early as possible in the list of protected places and they would be glad if you will reconsider your decision in the matter.

RATIONING OF THE STOCKS OF MESSRS CHEMDYES LIMITED.

Copy of Circular letter, dated the 26th September, 1939, from the Deputy Controller of Enemy Firms, Bombay Circle to the Chamber.

Chemdyes Limited.

I have the honour to inform you that an arrangement has been arrived at with the above Company by which they will resume the marketing of their existing stocks. The arrangement stipulates that all issues of stocks will be on a strictly rationed basis and it is in this connection that I desire to enlist your aid. My request is that you will ascertain as far as possible that all indents for stocks made by members of your Association (which should be addressed to Messrs. Chemdyes Limited direct in the usual way) are in conformity with the actual needs of their businesses, due allowance being made in this respect for such stocks as they may already have on hand, and that such stocks as are supplied are utilised only to meet such needs and are not disposed of in any other manner.

2. Your assistance in this matter will be much appreciated.

Letter No. 2088, dated the 6th/7th October, 1939, from the Chamber to the Deputy Controller of Enemy Firms, Bombay Circle.

Re: Chemdyes Limited

With reference to your circular letter dated the 26th September, 1939 regarding resumption by Chemdyes of the marketing of their existing stocks, I am directed to forward herewith a representation* signed by owners of dying factories in Calcutta for consideration and

*Not printed.

necessary action In the opinion of the Committee, the request appears to be reasonable and the existing stocks of Chemdyes at different centres should accordingly be distributed on a locally rationed basis instead of being pooled at one central place.

Letter No. 2117, dated the 11th October, 1939, from the Chamber to the Deputy Controller of Enemy Firms, Calcutta Circle.

I am directed to refer to the circular issued by the Deputy Controller of Enemy Firms, Bombay Circle, regarding the resumption of the marketing of existing stocks of Messrs. Chemdyes Limited In this connection, there have been several enquiries from members of the Chamber regarding the stocks lying with the Calcutta Office of Messrs. Chemdyes Limited. I am therefore directed to request you to kindly let me know as to the position in the matter, whether the circular issued by the Deputy Controller of Enemy Firms, Bombay Circle, relates to the All-India stocks of Messrs Chemdyes Limited or only to Bombay stocks. In this connection, I am to invite your attention to my letters dated the 6th and 7th October, 1939 addressed to the Deputy Controller of Enemy Firms, Bombay Circle, copies of which were forwarded to you as per memos Nos 2087 and 2089 of the same date. The Committee trust that arrangements will be made to distribute the existing stocks of Messrs Chemdyes Ltd., at different centres on a locally rationed basis so that industrial users and other consumers all over the country may get their requirements. In view of the difficulties experienced by many industries for want of chemical supplies, I have to request you to kindly expedite the matter as regards the distribution of the Calcutta stocks.

Letter No. 2189, dated the 17th October, 1939, from the Chamber to the Controller of Enemy Firms, Bombay

I am directed to refer to the circular issued by the Deputy Controller of Enemy Firms, Bombay Circle, regarding the resumption of the marketing of existing stocks of Messrs. Chemdyes Limited. In this connection, there have been several enquiries from members of the Chamber regarding the stocks lying with the Calcutta Office of Messrs. Chemdyes Limited I am, therefore, directed to request you to kindly let me know as to the position in the matter, whether the circular issued by the Deputy Controller of Enemy Firms, Bombay Circle, relates to the All-India stocks of Messrs Chemdyes or only to Bombay stocks. The Committee trust that arrangements will be made to distribute the existing stocks of Messrs. Chemdyes Ltd. at different centres on a locally rationed basis so that industrial users and other consumers all over the

country may get their requirements In view of the difficulties experienced by many industries for want of chemical supplies, I have to request you to kindly expedite the matter as regards the distribution of the Calcutta stocks.

Copy of letter No. D/3247-E F./39, dated the 31st October, 1939, from the Controller of Enemy Firms in India, Bombay to the Chamber.

Please refer to your letter No 2189 dated the 17th October 1939 The circular letter issued by the Deputy Controller of Enemy Firms, Bombay Circle, referred to by you, relates to the distribution of stocks of Messrs. Chemdyes Ltd throughout India and not only to the stocks in Bombay The work of distribution of the Calcutta stocks was taken in hand by the Bombay office of that firm on the 14th October 1939, and deliveries are now proceeding in accordance with the general scheme So far 202 delivery orders for dye stuffs valued at about Rs. 1¾ lakhs have already been issued in favour of consumer at Calcutta and goods to the value of about Rs 53,000 have been despatched from Bombay to that place.

Copy of letter, dated the 18th October 1939, from Messrs. Chemdyes Ltd., Bombay to the Chamber.

The Deputy Controller of Enemy Firms, Bombay Circle, has passed on to us your letter of the 6th/7th instant for attention

In reply, we wish to inform you that the signatories to the petition attached to yours under reference are evidently under a misapprehension in-as-much as the rationing scheme put in force by the Government of India by naturally depending on stocks available is based on the average normal offtake of any individual customer in any individual product for the period 1st January 1938 to 31st August 1939. You will observe from this that, in principle, there is no question of dislocating stocks from Calcutta and that all our customers can count, stocks permitting, on receiving their share in relation to their past offtake.

Letter No. 2241, dated the 23rd October, 1939, from the Chamber to Messrs. Chemdyes Limited, Bombay.

I have to thank you for your letter No Dyes Dept./Mtls, dated the 18th October, 1939 with reference to my letter of the 6th/7th instant to the Deputy Controller of Enemy Firms, Bombay Circle. I note that the rationing scheme will be based on the average normal offtake of any individual customer in any individual product for the

period 1st January 1938 to 31st August 1939 I also note that there is no question of dislocation of stocks from Calcutta and have to thank you for the information

I understand that the stocks in Bombay are already being released for distribution among customers I shall be glad if you will kindly let me know as to when the Calcutta stocks are likely to be released

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Telegram dated the 26th October, 1939, from the Chamber to Messrs Chemdyes Ltd., Bombay and Deputy Controller of Enemy Firms, Bombay Circle

Reference my letter twentythird instant Bombay stocks Chemdyes already released Calcutta consumers particularly Mills experiencing considerable difficulty owing lack of dyes kindly arrange release Calcutta stocks early.

Copy of letter, dated the 26th October, 1939, from Messrs. Chemdyes Ltd , Bombay to the Chamber.

In reply to your letter No. 2241 of the 23rd instant we wish to inform you that arrangements to release stocks ex our Calcutta godown under the rationing scheme have already been made and deliveries have begun. In view of the introduction of the rationing scheme, however, all orders including such for release ex our branches are subject to scrutiny in our Head Office here in Bombay and a delay in execution of such orders is, therefore, unavoidable We shall, therefore, thank you for your co-operation by advising the members of your Chamber to submit their orders well in advance of the date on which goods are actually required

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Letter No. 2299, dated the 31st October/1st November, 1939, from the Chamber to Messrs. Chemdyes, Ltd., Bombay

I am directed to thank you for your letters of the 26th and 27th October, 1939, regarding the distribution of Calcutta stocks. I note that arrangements to release stocks at your Calcutta godown under the Rationing Scheme have already been made and deliveries have begun. I would request you, however, to send me the details of the Rationing Scheme particularly as to what percentage of requirements will be supplied, whether new orders will be executed in case stocks are ample etc. I have circulated your request to members of the Chamber to submit their orders well in advance of the date on which the goods are actually required.

Copy of letter, dated the 4th November, 1939, from Messrs. Chemdyes Ltd , Bombay to the Chamber.

We thank you for your letter No 2299 of the 31st ult., and in reply thereto are enclosing herewith two *circulars entitled.

(1) Mill sales against Contract

(2) Rationing of Dyes and Chemicals.

which will give you all particulars concerning the Rationing Scheme initiated by Government in regard to supply of Dyes and Chemicals In amplification, we wish to add that, if supplies to a party were begun only after the 1st January, 1938, the average will, of course, only be calculated from the respective date up to the 31st August 1939

Likewise, we should like to add that in certain cases where a monthly ration would be insufficient to permit fulfilment of orders which our customers may have on hand we are quite prepared to make supplies up to 3-4 months at a time In fact, in a number of cases where orders were placed with our Calcutta Branch before the outbreak of war but not executed, which, of course, likewise fall under the present Government restrictions, we have, in view of the intervening period during which no supplies could be made and the consequent handicap with which customers were placed, already done so in a rather liberal manner. The balances of such orders, however, which remain unexecuted after delivery of such quantities had to be cancelled, the more so as many parties, few days before the outbreak of war, submitted orders to our Calcutta Branch which were far above anything that could be termed normal

To make matters entirely clear, we should like to say that any forward contracts we entered into before the war will, of course, be honoured by us at pre-war prices, subject, however, to the Rationing Scheme and the terms of our enclosed circular.

This also replies your letter No. 2247 of the 24th ult.

We trust that the position is now entirely clear

Letter No 2301, dated the 31st October, 1939, from the Chamber to the Deputy Controller of Enemy Firms, Bombay Circle.

I am directed to acknowledge receipt of your telegram dated the 30th October, 1939 reading as under:—

> "Reference your telegram twenty-sixth your letter twenty-third not received. Distribution of Calcutta stocks of Chemdyes taken in hand from 14th instant and deliveries are now proceeding in accordance with general scheme Dyconfirms"

My letter of the 23rd referred to in my telegram was addressed to Messrs Chemdyes and as the telegram was addressed to both yourself and Messrs. Chemdyes the reference to the letter was included in that.

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*Not printed.

I have now received a letter from Messrs Chemdyes Ltd also informing me that they have taken in hand the distribution of their Calcutta stocks in accordance with the general scheme.

The Committee would request you meanwhile to kindly let them have the details of the general Rationing Scheme with regard to the distribution of the stocks of Messrs Chemdyes particularly the information regarding the percentage of requirements to be supplied and the position regarding new orders etc.

An early reply will oblige.

Copy of letter No. 34/75/39, dated the 9th November, 1939, from the Deputy Controller of Enemy Firms, Bombay Circle to the Chamber.

Messrs. Chemdyes Ltd.

With reference to your letter No 2301 of the 31st ultimo, I have the honour to give below a brief outline of the rationing scheme under which the existing stocks of the above company are being disposed of. The scheme, further details of which may be had direct from Messrs Chemdyes Ltd. has the approval of the Government of India authorities at New Delhi.

2. Messrs. Chemdyes Ltd have been instructed to see that in no case does a customer get more than 25% of his normal purchases over a certain period from them, whether for Government requirements or not, except when specially ordered by the Government of India, Department of Supply, New Delhi, to issue supplies in individual cases.

3 The basic idea of the scheme is to make stocks last as long as possible and to see that supplies are made available in fair proportions to all those with legitimate needs for the goods, such as large industries and trade and bazaar merchants in general.

4 I may add that further improvements on the present scheme of rationing are under consideration by Government and Messrs Chemdyes Ltd.

Letter No. 2392, dated the 25th November, 1939, from the Chamber to the Deputy Controller of Enemy Firms, Bombay Circle.

I am directed to invite reference to your letter No. 34/75/39 dated the 9th November 1939 regarding stocks of Messrs. Chemdyes Limited. The Committee are thankful for the brief outline you have given of the rationing scheme under which the existing stocks of the above Company are being disposed of The Committee also note that improvements in the present scheme of rationing are under the consideration of the Government and Messrs. Chemdyes Ltd. They would point out to certain difficulties regarding marketing of the stocks of this company. The Committee find that a number of dealers hoard stocks of dyes in

order to sell them later on at high prices. In fact a number of persons who have never done any business in dyes are dealing in this line with a view to get large profits. As you will appreciate dyes are required by a number of industries, big and small and it is essential that they should be available to them at reasonable prices. The Committee would therefore suggest that while distributing the stocks of the company, the Government may also fix certain prices at which they should be sold. The Committee would also suggest that the work of distribution of the stocks of chemicals of this company should also be undertaken at an early date. There are various articles like, Sodium sulphate, perchlorine, zinc chloride etc which are needed by various industries of the country and the Committee feel it would be advisable if the stocks of these chemicals are released as soon as possible.

The Committee would be glad if you will kindly inform them about whatever improvements or modifications are made by the Government in the rationing scheme.

Letter No 2461, dated the 5th December, 1939, from the Chamber to the Deputy Controller of Enemy Firms, Bombay Circle.

I have to invite reference to my letter No 2392 dated the 25th November, 1939 and to state that the Committee of the Chamber have received several complaints about undue delay in obtaining supply of dyestuffs and chemicals from Messrs Chemdyes Limited. The Committee learn that while mills in Bombay and Ahmedabad have been getting regular supplies of these articles each month, the mills in Calcutta and this province are experiencing great difficulties in obtaining the same In fact, the Committee understand several mills have been placed to considerable losses on this account as they have to purchase dyes and chemicals from the market at much higher rates. Moreover, it is not always possible for them to get the exact required article from the market. While the Committee appreciate that some delay is bound to occur on the orders indented from Calcutta, as they are sent to Bombay and dealt with thereat, they would be glad if you will kindly take early steps to expedite the supplies of dyes and chemicals to the mills in this province as much as possible.

The attention of the Committee of the Chamber has also been drawn to the fact that certain persons are getting larger stocks than rationed through exercising undue influence. The Committee also learn that certain industrial concerns which are getting Government orders, obtain much larger quantities of dyes and chemicals under the pretext that they are Government contractors, than what may be required by them for manufacturing articles ordered by the Government.

The Committee would be glad if you will kindly enquire into the matter and see that the rationing is effected in a manner which may not give any undue preference to certain industrial concerns to the prejudice of others.

An early reply will oblige.

Telegram dated the 26th October, 1939, from the Chamber to the War Supply Board.

Calcutta Mills consumers experiencing great difficulty for want of dyes chemicals Committee understand Bombay stocks Chemdyes already released kindly arrange release of Calcutta stocks also early.

Letter No 2265, dated the 26th October, 1939, from the Chamber to the War Supply Board.

I confirm having sent to you a telegram today as per enclosed copy.

The Committee of the Chamber have been in correspondence with Messrs. Chemdyes Limited as also with the Deputy Controllers of Enemy Firms, Calcutta and Bombay. The Committee regret, however, that although the stocks of Messrs. Chemdyes Ltd in Bombay have been released and mills and consumers have been supplied proportionately with about 25% of their normal requirements, the Calcutta stocks have not yet been released. Consequently, the consumers and particularly the textile mills in Calcutta are experiencing a great difficulty and are handicapped for want of dyes and chemicals. The difficulty is all the great because most of the Bengal Mills produce fine coloured piece-goods *e.g.* sarees etc. for which dyes are indispensable. I have already sent a telegram on similar lines to the Controller of Enemy Firms, Bombay as also to Messrs. Chemdyes Ltd. direct The Committee, however, request you to kindly move in the matter and arrange for early release of the stocks of Messrs. Chemdyes Ltd in Calcutta.

Copy of telegram dated the 27th October, 1939, from "Warboard", New Delhi to the Chamber.

5255 your wire twentysixth Chemdyes arranging business Calcutta on same lines as Bombay approach Chemdyes direct.

Letter No. 2419, dated the 27th November, 1939, from the Chamber to the Controller of Prices, Bengal.

The attention of the Committee of this Chamber has been drawn to the fact that certain stocks of Messrs. Chemdyes Limited are sold to the public at a much higher price than existing before the war. As

you will appreciate dyes and chemicals are required for a number of industries and it is necessary that they should be available to them at reasonable cost. The Committee would be glad if you will kindly enquire into the matter especially in view of the fact that all the stocks of Messrs. Chemdyes Limited were imported before the war

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Copy of letter No. 1632-P.C., dated the 2nd/4th December, 1939, from the Chief Controller of Prices, Bengal to the Chamber.

With reference to your letter No 2419 dated the 27th November, 1939 regarding dye-stocks of Messrs. Chemdyes Ltd. I have the honour to request you to furnish detailed information in respect of the :—

(*a*) name of article.
(*b*) pre-war price of the article.
(*c*) price charged.
(*d*) date of transaction and voucher if available.

Necessary action will be taken on receipt of the above particulars.

Letter No. 2564, dated the 13th December, 1939, from the Chamber to the Assistant Controller of Prices, Bengal

I am directed to invite reference to your letter No 1632-P.C dated the 4th December, 1939 and to give below the information regarding stocks of Messrs. Chemdyes Limited sold at higher prices :—

Name of article	*Approx. pre-war prices per cwt*	*Price charged now per cwt.*
	Rs. As. P	Rs. As. P.
Pot. Carbonate ..	24 0 0	56 0 0
Pot. Caustic .	24 8 0	60 0 0
Acid Oxalic ..	40 0 0	80 0 0
Ammon. Chloride ..	14 0 0	27 0 0

CONSIGNMENTS ABOARD GERMAN STEAMERS LYING IN NEUTRAL PORTS AND GERMAN GOODS LYING IN BOND OR WITH PORT AUTHORITIES.

Telegram dated the 14th October, 1939, from the Chamber to the Government of India, Department of Commerce.

Committee Indian Chamber understand Customs authorities issued orders requiring importers in all cases to pay full invoice value before German goods lying in bond or with Port Authorities could be released and apply for refund later if necessary. In several cases importers either made part advance payments or are entitled under contracts to make payment by instalments or on approval basis. Insistence by

Customs Authorities on payment of full invoice value would not only disturb financial arrangements of importers but is also in Committees opinion beyond scope of powers given to Government under Defence Act as under that Act Government at best has same rights against importers as Enemy Firms. Committee therefore strongly urge German goods be released on payment of such sums due under contracts and on conditions contained therein and if necessary special machinery be constituted to enquire into individual cases

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Letter No. 2175, dated the 16th October, 1939, from the Chamber to the Government of India, Department of Commerce.

The attention of the Committee of the Indian Chamber of Commerce, Calcutta, has been drawn to the fact that the Customs Authorities have issued orders requiring importers in all cases to pay full value of the goods according to the invoices concerned before German goods lying in bond or with the Port authorities could be released. If any refund is claimed, applications have subsequently to be made for such refund to the authorities concerned.

The Committee may point out that in most cases, importers have either made part advance payments or are entitled under their respective contracts to make payment by instalments or on approval basis after inspecting the goods. The insistence of the Customs authorities, therefore, for the payment of the full invoice value operates as a considerable hardship on importers by disturbing their financial arrangements. The Committee may further point out that so far as they have been able to ascertain, the Government acquires at the most under the Defence Act the same rights against importers as given by the contracts relating to the enemy goods concerned, but the orders issued by the Customs authorities go beyond the scope of these powers. The Committee realise that the above orders have probably been issued in order to simplify the procedure regarding delivery of German goods in bond or lying with the port authorities and that applications for refund could also be made later on; but, as they have pointed out above, this arrangement involves importers particularly the larger ones into considerable hardship by disturbing the financial arrangements. The Committee, therefore, strongly urge the Government that, if necessary, a special machinery be constituted to enquire into individual cases and to order the release of German goods on payment of only such sums and in such manner as is provided under the relative contracts. The Committee trust that the matter will receive early attention of the Government.

I confirm having sent to you a telegram as per copy enclosed on the 14th October, 1939.

Telegram dated the 14th October, 1939, from the Chamber to the Government of India, Department of Commerce.

Reference German Steamer Braunfels sheltering Mormugao reports indicate cargo being sold for recovering port dues Earnestly request you approach Government Portuguese India to prevent sale to unauthorised buyers and recover port dues from steamer. If at all cargo is sold consignees and other British subjects be given opportunity to buy. Committee also urge Government to approach Portuguese Authorities and compel Captain to discharge and give delivery of cargo to consignees.

Letter No. 2141, dated the 14th October, 1939, from the Chamber to the Government of India, Department of Commerce.

I am directed by the Committee of the Indian Chamber of Commerce, Calcutta, to address you in connection with certain German steamers now sheltering in neutral ports carrying Indian export cargo or foreign consignments meant for India The Committee understand that two outgoing German steamers which were carrying Indian export cargo namely Kybfels and Tenenfels are sheltering in *Moga-Discha* in Italian Somaliland and in *Ancona* in Italy respectively. The Committee shall be glad to know whether the Government of India have approached the Governments of such neutral countries where the above and any other enemy steamers carrying Indian cargo are sheltering with a view to the safety of the cargo, its delivery to the proper destination wherever this is possible or for its return to the consignees. As certain members of the Chamber have got large quantities of goods aboard these steamers, the Committee shall be obliged to be favoured with an early reply.

As regards the incoming German steamers carrying foreign cargo for Indian ports particularly the Braunfels which is sheltering in Mormugao, Portuguese India, the Committee would like to point out that great difficulty is being experienced by consignees in India as a result of the delay in the discharge of the cargo from the above steamer It may be mentioned that in many cases the goods constitute essential requirements of industry and several manufacturers are put to a great handicap owing to the non-availability of the goods. The Committee understand that the Captain of the Vessel is refusing delivery and they request the Government of India to approach the Government of Portugal in order to compel the Captain to discharge and give delivery of the cargo to the consignees. The Committee may point out that in many cases importers have already paid money to the bank and others are ready to pay money to the Government in order to get their goods

The attention of the Committee has meanwhile been drawn to a press report that a part of the cargo carried by M. V. Braunfels is being dis-

charged and sold in Mormugao in order to enable the port authorities there to recover their port dues and charges from the steamer. The Committee do not know how far the report is correct However, they would strongly urge the Government of India to see that the cargo meant for Indian ports is not sold out locally in Mormugao but the charges are recovered from the steamer So long as the steamer is in port, there should be no necessity for the port authorities or for the Government of Portuguese India to order the sale of the cargo for payment of the dues However, if for any reason the cargo or any portion of it has to be sold, the Government of India should see that British subjects are given an opportunity to buy the goods The Committee trust that the Government of India will take early action in the matter and also issue a press communique on the matter clarifying the position.

I write to confirm in this connection the enclosed telegram which I have addressed to you today.

Letter No. 2142, dated the 14th October, 1939, from the Chamber to His Brittanic Majesty's Consul, Mormugao

I am directed to enclose herewith copies of the letter and a telegram of date addressed to the Secretary to the Government of India, Department of Commerce, regarding the German steamer Braunfels sheltering in Mormugao The Committee shall be glad to be enlightened as regards the exact position in the matter and they trust that you will be good enough to safeguard the rights of consignees in India in respect of the goods carried by M. V. Braunfels.

Copy of letter No. 65/21, dated the 20th October, 1939, from His Brittanic Majesty's Consul in the Portuguese Possessions in India to the Chamber.

Re: Cargo ex-German ships refuging at Mormugao Harbour.

Your No. 2142 of 14th instant.

With reference to the enquiries made in your above letter I have to inform you that there are three German ships refuging here, *viz.* M.V. 'Braunfels', M.V. Ehrenfels' and S S. 'Drachenfels'.

From these ships the following cargo has been discharged:—

1,058 tons	M.V. Braunfels.
1,116 tons	M.V. Ehrenfels.

under the orders of the Local Government for security for dues incurred. The situation has already been reported to the Government of India.

There is at present no attempt to effect sale of the discharged cargo, though this situation may arise later. Claims from owners of cargo

are being registered in my Office but nothing further appears possible until some agreement is arrived at between the two Governments concerned

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Letter No. F--2185, dated the 4th December, 1939, from the Federation of Indian Chambers of Commerce and Industry to the Chamber.

SUBJECT: German vessels lying in neutral ports.

As the question regarding the release of cargo from German vessels lying in neutral ports has been engaging the attention of the European Chambers of Commerce in India, I enquired of the Chamber of Commerce, Bombay and the Bengal Chamber of Commerce, Calcutta, as regards the arrangement which they have so far made in connection with the release of cargo from the enemy vessels From the information which both these Chambers were good enough to place at my disposal, I understand that negotiations are still taking place between the London Chamber of Commerce, the Board of Trade in England and the German steamship companies regarding the release of cargo and the terms upon which such release can be effected. These negotiations have not yet reached finality but the following terms, which are still the subject of negotiations have been suggested by the German steamship companies:—

(1) Presentation of full sets of bills of lading;

(2) Payment of freight in full, where this has not already been pre-paid; and

(3) Payment of a contribution amounting to 25 per cent. of the value of the cargo in the event of conditions (1) and (2) not being complied with within a specified time limit.

The London Chamber of Commerce has adopted the attitude that the charge referred to in item No. (3) above is wholly unwarranted and has urged the owners of cargo not to accept the imposition of the charge, pending the outcome of the present negotiations and, in the meantime, to refrain from acting individually. The payment of freight charges to the German steamship companies would also present a difficulty owing to the ban which is placed on direct payments to enemy firms and subjects under the Defence of India rules, but the Government of India, following the precedent of the United Kingdom Board of Trade, have already issued a notification bearing No. 135-M.I.(War)(1)/39 dated 4th November, 1939, under which such payments of freight and other necessary charges have now been authorised This notification opens the way to a settlement immediately the release of cargo has been arranged and the terms of release decided upon. I will let you know as soon as I receive information to that effect.

As regards the cargo now lying at Mormugao His Brittanic Majesty's Consul writes to say that the following are the only enemy vessels taking refuge at Mormugao.—

(1) M.V. "Braunfels".
(2) M.V. "Ehrenfels"
(3) S.S. "Drachenfels".

His Brittanic Majesty's Consul further writes to say that merchants interested in the ownership of the cargo on all the three steamers mentioned above are requested to register their claims with him at Mormugao.

The Bengal Chamber of Commerce, Calcutta, further writes to say that it has received from the London Chamber of Commerce telegraphic information to the following effect:—

"Arrangements now completed with Cox and Kings to handle cargoes from German vessels at all ports of refuge"

No further information is yet available with regard to the terms upon which the release of cargo has been negotiated As soon as I get this information from the Bengal Chamber of Commerce, I will let you know. In the meanwhile, it is for your constituent members interested in the ownership of these cargoes to make their arrangements for their handling when released either through Messrs Cox & Kings or their representatives in India, or any other clearing agency

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Telegram dated the 12th December, 1939, from the Chamber to the Government of India, Department of Commerce.

Committee understand certain consignment of Cotton Agents Limited Calcutta of Indian linseed lying at Trieste aboard German Liner Kybfels. Consignor can dispose of same to buyers in Rotterdam market who are willing pay all extra charges Board of Trade London authorised pay freight expenses to German steamers through London Chamber of Commerce only. Such procedure however would entail considerable delay Committee request Government grant Cotton Agents Limited sanction to sell cargo to neutral buyers.

SUPPLIES OF BLEACHING POWDER.

Letter No. 2166, dated the 16th October 1939, from the Chamber to the Government of India, Department of Supply.

I am directed by the Committee of the Indian Chamber of Commerce, Calcutta, to address you on the question of the difficulty experienced by industrial concerns in getting supplies of bleaching powder. Bleaching powder is extensively used, as you are aware, in paper and cotton mills and the Committee are given to understand that no supplies of this article are available at present. As a result, paper and cotton

mills are greatly handicapped and the Committee would, therefore, request you to kindly take necessary action in the matter in order to enable industrial concerns to get supplies of Bleaching Powder.

An early reply will oblige

Copy of memo No 5186, dated the 28th October, 1939, from the Government of India, Department of Supply to the Chamber

I am directed to refer to your letter No 2166 dated the 16th October, 1939, and to forward a copy of this Department letter No 5186 dated the 14th October, 1939 for your information

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(*Enclosure*).

Copy of letter No 5186, dated the 14th October, 1939, from the Government of India, Department of Supply

I am directed to draw your attention to the fact that there is, at the present time, a world shortage of bleaching powder Probable production in India under the most favourable conditions, could only supply a small proportion of the total requirements of industry in this country.

There is little probability of obtaining chlorine, or bleaching powder, from Europe and this Department, in consultation with Messrs Imperial Chemical Industries (India), Limited is investigating the possibility of supply from Canada, the United States of America and Japan

It has been suggested that you could give considerable assistance by collecting information and submitting a consolidated estimate of the annual bleaching powder requirements of all firms represented by your Association to Messrs Imperial Chemical Industries (India), Ltd., in Calcutta, so that they would have some definite basis on which to work.

You may also consider it advisable to make alterations in the quality of certain of your products with a view to conserving existing stocks of bleaching powder for essential purposes, and in this regard we understand the services of the I. C I are at your disposal for advice as to alternative materials and processes that can largely achieve the results of Bleaching Powder etc.

Letter No. 2362, dated the 11th/13th November, 1939, from the Chamber to the Government of India, Department of Supply

I am directed to invite reference to your letter No 5186 dated the 28th October 1939 regarding supplies of Bleaching Powder. The Committee learn from the enclosure that at present there is a world

shortage of bleaching powder and the probable production in India under the most favourable conditions could only supply a small proportion of the total requirements of the Industry The Committee note that the Government are in consultation with Messrs Imperial Chemical Industries (India), Ltd , and investigating the possibility of supplies from Canada, U S A and Japan. The Committee also note the suggestion of the Government that industrial concerns may consider the possibility of making alterations in the quality of certain of their products with a view to conserve the existing stocks of Bleaching Powder for essential purposes and that in this connection the services of the Imperial Chemical Industries are available for advice as to alternative materials and processes that can largely achieve the results of bleaching powder.

The Committee however learn from some of the members of the Chamber that the Imperial Chemical Industries when approached for supplies of bleaching powder and other chemicals, replied that they were only going to make available the supplies first to their own customers and those who have not been the customers of the Company will be supplied only after the prior claims of the old customers have been satisfied. The Committee feel that this is a highly unsatisfactory position especially as important chemicals like bleaching powder, Soda ash etc , are required in a number of industries and due to the shortage of these chemicals a number of industrial concerns in this country have been greatly handicapped The Committee are of opinion that not only the Government of India should explore the possibility of manufacturing these chemicals in the country but they also should try to import these articles from foreign countries independent of the Imperial Chemical Industries, if the latter desire to supply only to their customers The Committee need hardly mention that the question of supply of these chemicals is very important for the continuance of industrial activity in the country and they would request the Government to give their serious consideration to the matter as soon as possible. The Committee would be glad to know what steps the Government of India propose to take in the matter.

An early reply will oblige

Copy of letter No 7232, dated the 30th November, 1939, from the Government of India, Department of Supply to the Chamber.

With reference to your letter No 2362 dated the 13th November, 1939 I am directed to inform you that the position regarding Bleaching Powder has recently changed owing to the issue of Export licences by His Majesty's Government in sufficient number to secure that sup-

plies of bleaching powder will shortly be available in India sufficient for its normal requirements. Messrs. Imperial Chemical Industries Limited already have certain large shipments on the sea and others are expected to be made shortly. There is every reason to hope that by the end of the year, sufficient supplies of bleaching powder will be reaching India and that the supply will be maintained until some unforeseen contingency causes the withdrawal of Export Licences in the United Kingdom

2 With regard to your complaint that Messrs Imperial Chemical Industries Limited have informed enquirers that they can only supply their own customers first, and that new customers must wait until the claims of the old customers are satisfied, I am to state that no reasonable exception can be taken to this attitude when Imperial Chemical Industries themselves had not sufficient supplies available to meet all demands. It was quite reasonable for them, when supplies were short, to give preference to their old customers in issuing them since enough was not available for everybody and someone had to go short Obviously however, when supplies are reaching India in sufficient quantity, the firm will only be too anxious to dispose of them and must welcome all customers to come for purchasing their stocks The Government of India are considering all possible steps for increasing the supplies of chemicals needed in India and do not intend to rely on Messrs Imperial Chemical Industries alone for this purpose, but, as this firm has handled by far the largest trade in heavy chemicals, it has been in the best position to improve the supplies available for India during War time. Your Committee may rest assured that constant attention is being given by the Government of India to the problem of securing adequate supplies of chemicals to meet India's needs

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Economic Resources Board—Establishment of.

Letter No. 2251, dated the 24th October, 1939, from the Chamber to the Government of India, Department of Commerce

I am directed by the Committee of the Indian Chamber of Commerce, Calcutta to refer to the establishment of the Economic Resources Board The Committee are glad to note that the Government of India have realised the necessity of "conserving and utilising the economic resources of India to the best advantage" and to constitute a Board for the purpose. The Committee note that the functions of the Board will be "confined to acting as a clearing house of economic and statistical information, discussion and advice".

Leaving aside the question of the composition and the functions of the Board for the present, the Committee would recall in this connection the experience during the time of the last war when it was

expected that at least those industries which were newly started then in order to meet the requirements of the Government and the community during the war would be helped to firmly establish themselves and be protected against any renewed competition from foreign sources after the war was over The Committee regret to have to say, however, that with the closing of the war the interest which the Government of India was showing in the development of industries flaged and the Government became indifferent to the fate of those industries. The Committee need hardly point out that if the Government had continued the same interest in the development of industries during the peace interval as they showed at the time of the last war, they would have found India much more ready industrially to meet the exigencies of the war situation and to maintain supplies The Committee have no doubt that the Economic Resources Board will explore the possibilities of the development of new industries in India in order to utilise the economic resources of the country to the best advantage and they trust that the Government of India will not commit the same mistake this time but will see that the newly established industries as well as other established ones are assured of adequate protection from foreign competition even after the termination of the war The Committee may point out that it is equally necessary to ensure permanency as encouraging their growth and they hope that the Government of India will keep this in view.

ADEQUATE TONNAGE FOR EXPORT.

Letter No 2183, dated the 17th October, 1939, from the Chamber to the Government of India, Board of Economic Resources.

The attention of the Committee of the Indian Chamber of Commerce, Calcutta has been drawn to the fact that exporters of leather from India to the United Kingdom are experiencing considrable difficulty in getting adequate shipping facilities The Committee understand that recently there have been large enquiries in respect of this commodity from the United Kingdom but the exporters in India are not able to avail of the opportunity to maintain and develop this trade owing to the paucity of available freight The Committee realise that shipping is at present controlled by Government and priority is given to the carriage of war requirements, foodstuffs etc The Committee would, however, request you to kindly examine the position inasmuch as leather is also an important commodity of daily use not only for the purposes of the army but also for the civil population. The Committee may point out that India is one of the largest suppliers of leather and they trust that you will kindly consider the matter sympathetically and arrange for proper facilities being given to the trade

for the shipment of leather to United Kingdom. A reply as to the steps being taken in the matter will oblige I am addressing a similar letter to the Secretary, War Transport Board, Government of India, New Delhi

I confirm having sent to you a telegram today as per copy enclosed.

Telegram dated the 17th October, 1939, from the Chamber to the Economic Resources Board

Committee Indian Chamber of Commerce Calcutta invite attention to difficulties being experienced by exporters for shipping leather to United Kingdom owing shipping freight unavailable Committee understand large orders from United Kingdom lying unexecuted. Request arrange proper shipping facilities.

SUPPLIES OF CHLORATE OF POTASH, AMOS-PHOSPHORUS AND MATCH WAX.

Letter No 2653, dated the 28th December, 1939, from the Chamber to the Government of India, Department of Supply

The attention of the Committee of this Chamber has been drawn to the difficulties experienced in obtaining supplies of match wax, chlorate of potash and amos-phosphorus required in the match industry The Committee understand that Messrs Standard Vacuum Oil Co, who had been supplying match wax to some of the factories, have informed them that they are entirely out of stock in this article at present and no further shipment is expected for the present. The Burma Shell Co also have informed the factories that their present stock coupled with the existing commitments do not make it possible for them to meet the requirements of the factories

Regarding chlorate of potash and amos-phosphorus, the Committee learn that the Imperial Chemical Industries have informed the factories that these articles come under the list of prohibited articles for export and export licences would therefore be required for the same

The match factories however require these articles urgently and the Committee are given to understand that if the supplies are not soon available some of the factories will have to close down Each factory consumes more than 3 tons of match wax per month and the existing stocks with the factories are also very meagre. The Committee would therefore request the Government to kindly take immediate steps to secure these articles from foreign countries An early reply as to the steps the Government propose to take in the matter would oblige.

GRANTING OF LICENCES ON QUARTERLY BASIS FOR EXPORT PURPOSES.

Letter No 2577, dated the 16th December, 1939, from the Chamber to the Government of India, Department of Commerce.

The Collector of Customs, Calcutta has issued a Notification on the 6th December, 1939 to the effect that licences for goods specified in Part E of the Schedule appended to the Government of India, Department of Commerce Notification No C W -(20)/39 dated the 25th November, 1939 will in future be granted on a quarterly basis Intending exporters are informed in the Notice that applications for licences for the first quarter of 1940 must be presented not later than the 25th December, 1939 I am enclosing herewith a copy of the Notice and the Notification* referred to therein and it will appear that various articles like hides and skins, myrobalans, iron or steel, mica, oils, oilcakes, rubber, oil seeds, cotton, cotton manufactures, hemp, jute silk and wool manufactures are all mentioned therein The procedure till now was that licences were granted by the Collector of Customs in the last week of the month preceding the month of shipment and the applications for licences were to be filed by the 25th of that previous month for which the shipment is to be effected and such applications were to be accompanied by evidence that an actual order had been placed and disclose the name of the last buyer.

As the Government will perceive it is now proposed that the licences would be granted on a quarterly basis The Committee of this Chamber feel that such a procedure would greatly hamper trade as no business on immediate shipments basis would be possible If exporters are required to make applications for licences as early as three months before the shipments, it would be an impossible task for them Orders might not have been received so much time ahead and when they would be actually received it would not be possible for the exporters to apply immediately for the licences and they will have to wait for the time of submission of applications for another quarter The Committee believe such a procedure would greatly handicap the export business and they are of opinion that there should be a reversion to the old procedure. The Committee have therefore addressed a telegram to you as under:—

"Committee understand Calcutta Customs Collector notified on sixth December that licences for goods specified in Part E of Schedule to Government of India Commerce Department Notification of twenty-fifth November will be granted on quarterly basis and for first quarter of 1940 applications must be presented not later than twentyfifth December for shipments to European neutral countries Part E. of Schedule covers numerous articles Committee believe such procedure would greatly hamper trade and no business on immediate shipment

*Not printed.

basis will be possible also it would be impossible for exporters to make such applications with all details so much ahead of shipments Committee suggest diversion to old procedure very necessary otherwise exporters would be greatly handicapped export business would also suffer considerably".

LAW AND LEGISLATION.

BENGAL MONEY-LENDERS BILL, 1939

Letter No 516, dated the 14th March, 1939, from the Chamber to the Hon'ble the Chief Minister, Government of Bengal.

Re. Joint Deputation—Money-Lenders Bill.

I am directed to invite your kind attention to the Memorandum* submitted by the Joint Deputation on behalf of the various Chambers of Commerce which waited upon yourself and the Hon'ble the Finance Minister on the 18th February last, in connection with the Money-Lenders Bill You were pleased to state at the time of the meeting of the deputation that you would discuss the matter with certain members of the Legislature and would communicate the result to one or two members of the deputation

Meanwhile the Committee of the Chamber have been informed that members of the Legislature have received notice of consideration of the Bill as amended by the Select Committee in the Assembly shortly. I am, therefore, directed to request you to kindly enlighten me as regards the position in the matter particularly with regard to the discussion which, you were pleased to state, you will have with certain members of the Legislature.

THE PROPOSED INTRODUCTION OF ELECTIVE PRINCIPLE INTO THE APPOINTMENTS TO THE ACCOUNTANCY BOARD

Letter No 685, dated the 4th April, 1939, from the Chamber to the Government of India, Department of Commerce.

I am directed to invite reference to the Government of India, Department of Commerce Notification No 9-A(3)/37 dated the 11th March, 1939 regarding certain further amendments to the Auditors Certificates Rules 1932. The Committee have considered the amendments proposed by the Government and have to refer you to their letter No. 1766 dated the 2nd September, 1938, in which they had stated their views in the matter in detail The Committee do not feel they have anything to add new to the observations made by them in the letter referred to above.

*Please refer to Appendices section.

PROPOSED LEGISLATION FOR MAKING SAND-STOWING COMPULSORY IN COAL MINES.

Letter No 162, dated the 3rd February 1939, from the Chamber to the Government of India, Department of Commerce.

The Committee of this Chamber understand that the Government of India propose to introduce in this Budget Session of the Central Legislative Assembly a Bill to make sand-stowing compulsory in those coal mines as are considered unsafe in operation. The Committee further understand that the Government of India, in order to assist sand-stowing, also propose to impose excise duty on coal to be realised with the railway freight, and that they have addressed letters to the various Provincial Governments inviting their views upon this proposal While the Committee of this Chamber appreciate that all necessary measures should be undertaken to enforce safety precautions in coal mines, they believe that the existing legislation in the matter *i.e*, the Indian Mines Act together with the Coal Mines Regulation and the various rules made thereunder, is sufficient to ensure safety of workers in coal mines. In the opinion of the Committee, these safety measures under the existing legislation may be strengthened by enforcing their strict observation, so as to eliminate all danger to the workers in mines. But the Committee are strongly opposed to the imposition of any fresh burden on the Industry by way of excise duty or cess. The Committee believe that the number of collieries which are definitely unsafe to work without sand-stowing is a small one and to subject the whole industry to this heavy burden of Excise Duty for enforcing compulsory sand-stowing in these few mines is by no means reasonable. The Committee would rather suggest that those collieries which cannot be worked in a safe manner except by sand-stowing should be made to bear the burden of stowing themselves and if they cannot afford it, may be required to close down The Committee feel that no case for imposing such excise duty has been made out either by the Coal Mining Committee or by the Government of India, as the Government of India have themselves acknowledged in 1936 that "in so far as the need for sand-stowing was based on consideration of safety, this disparity in costs would call for no remedial action, for the coal-owner who is not in a position to mine with due regard to safety should not be allowed to mine at all".

The Committee would further point out that these unsafe collieries in their initial working adopted certain wasteful measures by which they got large outputs and made heavy profits and even the Royalty Receivers profited to a very large extent A number of other collieries, however, have never resorted to such methods and many of them having started operations during comparatively recent years have not accu-

mulated large pofits by rapid extraction of coal. As the Government would perceive, these latter collieries would be benefitted from the fund which the Goverrment contemplate to raise by the levy of excise duty only at some indefinite and distant period. Moreover, the Committee would point out that even the first class collieries have been able to declare very small dividends during the past 15 years and such an additional burden of excise duty while proving harmful to them would result in a manner highly detrimental to the second class collieries, who will hardly be able even to pull on. Even the Coal Mining Committee have admitted that an equal cess on superior and inferior coal will put the latter collieries to a considerable disadvantage.

The Committee would also mention here that the Coal Mining Committee have never examined the technical difficulties of stowing at great depth or in seams of flat gradient. The Committee further feel it doubtful if adequate supplies of sand and other incombustible materials required for stowing are available. This fact has been recognised on all hands as is perceived from the resolution recently passed by the Associated Chambers of Commerce at their last Session urging the Government of India to examine further in details the technical aspects of the problem of stowing before legislation to enforce it is undertaken.

In view of the importance of the coal industry in the economy of the country and of the fact that the additional burden which such a measure will impose will greatly prejudice the present economic working of the Industry, the Committee would urge that the Government of India should not proceed with any legislation in the matter before the question has been thoroughly gone into and a case made out for such an action as the one contemplated.

Amendments to the Indian Coal Mines Regulations, 1926.

Letter No. 1049(7)-Com., dated the 27th March, 1939, from the Government of Bengal, Department of Commerce and Labour to the Chamber.

I am directed to forward for the information of your Chamber a copy of a notification by the Government of India, Department of Labour, No. M-955, dated the 8th February, 1939,* publishing the draft of certain amendments proposed to be made in the Indian Coal Mines Regulations, 1926, I am to request that any opinions which the Chamber desire to offer on the proposed amendments may be submitted to this Government not later than the 1st May, 1939.

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*Not printed.

Letter No. 798, dated the 29th April, 1939, from the Chamber to the Government of Bengal, Department of Commerce and Labour.

I am directed to refer to your letter No. 1049(7)-Com. dated the 27th March 1939 enclosing therewith draft amendments to the Indian Coal Mines Regulations, 1926 While the Committee generally approve of the draft regulations, they have to suggest that the Draft Regulation 121A(i) should only be applicable to Gassy Mines, and as such the addition of the word "Gassy" between "the manager of any" and "mine in which" should be made.

THE NECESSITY OF DRUGS LEGISLATION.

Letter No. 460, dated the 7th March, 1939, from the Chamber to the Government of India, Department of Education, Health and Lands.

The Committee of this Chamber are given to understand that the Indian Chemical Manufacturers' Association has submitted to the Government a Memorandum containing the draft of a Bill to regulate the import, manufacture, storage and sale of drugs in India. The Committee are strongly in favour of the Government of India undertaking early legislation in this connection. They would point out that the sale of adulterated, inefficient and spurious drugs has considerably increased in recent years to the great detriment of public health in the country. As early as 1931, the Committee would mention, the Drugs Enquiry Committee had emphasised the necessity of undertaking a comprehensive legislation to check this growing menace and the Chemical and Pharmaceutical Industry in the country as also a number of commercial bodies and the public have reiterated this demand a number of times, during these years. In view of the importance of the matter not only from the view-point of the Chemical and Pharmaceutical industry of the country but also from that of preservation of public health, the Committee would request the Government to undertake legislation in the matter as soon as possible on the lines indicated in the memorandum mentioned above.

Letter No. 1293, dated the 3rd July, 1939, from the Chamber to the Government of India, Department of Education, Health and Lands.

I have to invite reference to this office letter No. 460 dated the 7th March 1939 regarding the draft bill to regulate the import, manufacture, storage and sale of drugs in India submitted by the Indian Chemical Manufacturers' Association. The Committee regret that no action has yet been taken by the Government in the matter. The Committee need hardly emphasise that the sale of adulterated, inefficient and spurious drugs which has considerably increased in recent

years is greatly detrimental to the public health and it is highly essential that the Government should early introduce a bill in the matter as proposed by the Chemical Association. The Committee will be glad to be enlightened as to at what stage the matter rests at present.

Copy of letter No. F.-54-4/38-H(Pt. II), dated the 19th July, 1939, from the Government of India, Education, Health and Lands Department to the Chamber.

In reply to your letter No 1293, dated the 3rd July, 1939, I am directed to say that the question of legislation to regulate the import manufacture and sale of drugs in India is at present under the consideration of the Government and that the necessary Bill will be introduced in the Central Legislature at the earliest possible date.

DRAFT CEYLON ORDINANCE FOR INSURANCE BUSINESS IN CEYLON.

Copy of letter No. 589-I(6)/39, dated the 18th March, 1939, from the Actuary to the Government of India to the Chamber.

With reference to your letter No. 2692, dated the 21st December 1938, regarding amendment of the Indian Insurance Act, 1938, I have to say that an amendment on the lines suggested therein has not been considered to be a subject suitable for inclusion in the Amending Bill which is now before the Indian Legislature.

BENGAL SHOP PRICES REGULATION BILL, 1938.

Copy of letter No. 529(II)-L.C., dated the 12th April, 1939, from the Secretary, Bengal Legislative Council to the Chamber.

I am directed to forward herewith a copy of the Bengal Shop Prices Regulation Bill, 1938* with Statement of Objects and Reasons by Mr. Humayun Kabir, M.L.C. and to request you that the opinion of the Indian Chamber of Commerce on the provisions of the Bill may kindly be forwarded to me as early as possible and in any case not later than the 30th June, 1939.

Letter No. 801, dated the 29th April 1939, from the Chamber to the Secretary, Bengal Legislative Council.

I am directed to refer to your letter No. 529(11)L.C. dated the 12th April 1939 enclosing therewith a copy of the Bengal Shop Prices Regulation Bill, 1938 with the Statement of Objects and Reasons by Mr. Humayun Kabir, M.L.C. The Committee of the Chamber are of opinion that legislation on the lines envisaged in Mr. Humayun Kabir's

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*Not printed.

bill is not only impracticable but also against the interests of trade as well as consumers. Apart from the administrative difficulty in enforcing a measure of this kind, it is obvious that such legislation if enforced would considerably increase the work, and hence the expenses of the shop-keepers and would drive out many from the trade thus adding to the already large volume of unemployment. The Committee are, therefore, totally opposed to the Bill and as such do not consider it necessary to offer any observations on the detailed provisions

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DRAFT REGISTRATION OF FOREIGNERS RULES, 1939.

Copy of letter D O. No 21/24/39-Political, dated the 4th May 1939, from the Government of India, Home Department to the Chamber.

I am directed to enclose for information a copy of the Draft Registration of Foreigners Rules, 1939,* together with a copy of the press communique dated the 5th May, 1939,* which draws attention to the main features of the draft rules.

2. Before adopting the rules finally the Government of India will take into consideration such observations or criticisms as are received in Simla before the 29th May next

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Letter No. 1060, dated the 5th June, 1939, from the Chamber to the Government of India, Home Department.

I am directed to invite reference to your letter D.O. No. 21/24/39-Political dated the 4th May 1939 together with a copy of the Draft Registration of Foreigners Rules, 1939. The Committee have considered the draft rules and have to offer the following observations thereon:

In view of the fact that India is a vast country and that a tourist may take more than three months to go round the country, the Committee feel it is desirable to fix the period provided in clause (*j*) of rule 2 to be six months instead of three months.

The Comimttee would further state that they are agreeable to the object of these rules which is to have all foreigners who are or who arrive in this country registered and to keep in touch with their movements. They, however, believe that no unnecessary burden should be imposed on persons other than those foreigners to whom the rules apply. The proposed rules Nos. 4, 15 and 16 for example make it obligatory on every ship which embarks passengers from and disembarks passengers at any port in British India to give certain information in regard to every passenger carried by the ship. The Committee would point out that this would result in the shipping companies being required to furnish information about more than a million and a half of passengers travelling on the west coast of India, about a couple of lacs of

passengers travelling between Bombay, Kathiawar ports and Karachi and nearly five lacs of passengers travelling between Tuticorin and Colombo. In fact, very few foreigners travel either on the western coast or between Tuticorin and Colombo and if any passengers do travel between Bombay and Karachi and Bombay and Kathiawar coastal ports or between India and Burma, they are usually saloon passengers. On the other hand, it will be extremely difficult for the shipping companies to prepare a schedule giving certain particulars of all the deck or unberthed passengers who travel on these various routes on some of which there are daily services and on others weekly or thrice a week services. Moreover, a large number of these unberthed passengers are illiterate and the preparation of the schedule would therefore not only put the shipping company to unnecessary inconvenience but would also delay the sailing of the steamer. The Committee would therefore suggest that the proposed Rule No 4 and sub-rules 2, 3 and 4 of Rule 15 and clauses (a) and (b) of sub-rule 1 of Rule 16 and sub-rule 2 of Rule 16 should be re-drafted so as to exempt ships carrying deck and unberthed passengers on the western coast of India between Bombay, Kathiawar Ports and Karachi, between Tuticorin and Colombo and between Indian Ports and Burmese Ports from the operation of these rules. Apart from the delay involved, the shipping companies will be put to much labour and expenditure in compiling all the information.

The Committee would further refer to clause (*b*) of sub-rule (1) of rule 16 which provides that the Master of any vessel arriving at or leaving any place in British India shall *inter alia* require every foreign passenger to attend at such place and time as may be specified by the Registration Officer for the purpose of giving such passenger the direction prescribed by clause (*b*) of sub-rule (1) of rule 6. In the opinion of the Committee, however, it is not proper that such a burden should be imposed on the shipowner for, once the passenger leaves the ship, he is outside the control of the Master of the vessel or the shipowner. The Committee would therefore suggest that the words "notify him" should be added in line 4 after the words "from A and" and before the words "to attend" The Committee would also refer to clause (*a*) of sub-rule 2 of rule 16 which provides that the person having the management of any vessel shall require any person who intends to embark on that vessel for the purpose of leaving British India to furnish in writing true statement of the particulars set out in items 1, 2 and 10 and if he is a foreigner items 3 to 9 of form D. This would, however, apply to all persons travelling from Bombay to one of the foreign ports on the western coast as also to ports in the Indian States. According to the Committee, however, information about all these persons need not be required to be furnished and only foreigners travel-

ling on those routes may be required to comply with the provisions of this clause. The shipping company may be required to put such a notice at a prominent place on the ship.

The Committee regret the delay in sending the views and hope that the suggestions made above will receive your careful consideration.

ENFORCEMENT OF INDIAN TARIFF (THIRD AMENDMENT) BILL.

Letter No. 883, dated the 13th May, 1939, from the Chamber to the Government of India, Commerce Department.

Re: The Indian Tariff (3rd Amendment) Bill.

I am directed to refer to the Indian Tariff (3rd Amendment) Bill which was introduced in the Legislative Assembly on the 31st March 1939, and was passed by the Council of State in the certified form. The Committee of the Chamber understand that the above Bill has not yet received the assent of His Excellency the Governor-General. As the Bill in question provides for important changes to be made in the Customs' Tariff which have a great bearing on the daily import and export trade the uncertainty with regard to the application of the revised tariff is creating difficulties in the way of merchants. The Committee therefore would request you to let them know as to when the Bill is likely to come into force. The Committee would be glad to have your reply soon.

Copy of letter No 20-T(914)/39, dated the 19th May, 1939, from the Government of India, Department of Commerce to the Chamber.

SUBJECT: Indian Tariff (Third Amendment) Bill, 1939.

With reference to your letter No 883 dated the 13th May, 1939 I am directed to say that the above Bill is expected to become law by the end of this month.

AMENDMENT TO THE INDIAN TEA CESS RULES, 1937.

Letter No. 1226, dated the 24th June, 1939, from the Chamber to the Government of India, Department of Commerce.

I am directed to invite reference to your Notification No. 307(2)TR (I.E.R.)/39 dated the 3rd June, 1939 publishing certain further amendments to the Indian Tea Cess Rules, 1937. The Committee note that it is proposed to commence the financial year from the 1st October and sub-rules (1) & (2) of rule 9 are to be re-numbered sub-rule (2) & (3) with the word 'September' inserted for the word 'March' The Committee of this Chamber however feel that the election of office bearers should be made at the Annual Meeting in March rather than in the September

Meeting, for, at the latter meeting other important work such as consideration of the budget statement and work programme for the ensuing year will have to be done.

I trust the above suggestion will be found acceptable to the Government.

BENGAL MUNICIPAL AMENDMENT BILL, 1937.

Letter No. 2360, dated the 1st/11th November 1939, from the Chamber to the Secretary, Bengal Legislative Assembly.

I am directed to invite reference to your letter dated the 27th April 1939* inviting the views of the Chamber on the Bengal Municipal (Amendment) Bill, 1937 by Rai Harendranath Choudhuri, M.L.A. The Committee note that section 18 of the Bengal Municipal Act was introduced in order to confer larger municipal representation in certain areas on industry and labour on the one hand and to secure in such municipalities fair representation of inhabitants not directly connected with the industry on the other. The Committee further note that the existing section 18 however, leaves doubt whether in doing the former, the local Government was also bound to do the latter and it is therefore proposed that "in a Municipality where the number of commissioners to be appointed by the Local Government is increased or where any industrial constituency is constituted, the Local Government shall provide for the representation of the inhabitants who are not directly concerned with such industry or industries by the formation of electoral constituencies for such inhabitants on such basis as may appear to the Local Government to be expedient". The Committee have considered the Amendment and they are agreeable to the principle of the Bill. They feel that in a Municipality where larger representation is given to industry and labour, it is reasonable that a fair representation of inhabitants not directly concerned with the industry is secured. The proposed Amendment, the Committee believe, would carry out the spirit of the original provision.

BENGAL AGRICULTURAL PRODUCE MARKETS BILL, 1939.

Copy of letter No. 2517(19)-L.A., dated the 25th July, 1939, from the Secretary to the Bengal Legislative Assembly to the Chamber.

I am directed to forward herewith a copy of the Bengal Agricultural Produce Markets Bill, 1939,* by the Hon'ble Mr. Tamizuddin Khan with the Statement of Objects and Reasons and to request that you will be so good as to favour this office with an expression of opinion of your Chamber on the Provisions of the Bill.

2. I am to request that reply may be sent so as to reach me by the 31st October, 1939.

Letter No. 2386, dated the 17th November, 1939, from the Chamber to the Secretary, Bengal Legislative Assembly.

I am directed to invite reference to your letter No. 2517(19)-L.A. dated the 25th July, 1939 inviting the views of the Chamber on the Bengal Agricultural Produce Markets Bill, 1939 by the Hon'ble Mr. Tamizuddin Khan. The Committee have considered the provisions of the Bill and have to submit the following remarks thereon.

The Committee note that the Bill proposes to make provisions in the mofussil for regulating markets for agricultural produce and proposes *inter alia* to register all markets and hats, to regulate scale of market charges with a view to uniformity and reduction, to control trade practices and keep the cultivator well posted with regard to the prices to ensure that he receives a fair return. The Committee also note that it is proposed that market committees for particular markets to regulate and control the marketing of agricultural produce by a system of licensed operators in the market, should be set up to achieve this end. While the Committee are agreeable to the principle incorporated in the Bill, they would refer to some of the provisions in the Bill which, they feel, should be amended.

The term 'agriculturist' in clause 2 is defined to mean a person who grows or produces agricultural produce but it "does not include a dealer or broker in such produce who may also grow or produce such produce". At the same time, the term "trader" is defined to mean a person who for gain or profit buys or sells agricultural produce "other than his own". It will be obvious that a dealer or broker who may grow his own produce is therefore neither an agriculturist nor a trader. The Committee would suggest that persons growing their own produce and also dealing in the same should be included in the category of agriculturists. The term 'market' is also defined to include "any fair or hat". Clause 3, however, proposes that every market for agricultural produce shall be registered, and such registration shall thereafter be renewed annually by the owner thereof in such manner and on payment of such fee as may be prescribed. The Committee would point out that fairs and hats are usually held as a matter of custom or at the time of celebration of some festival and often there may not be any one person owning or interested in holding the the same.

The Committee would also refer to clause 13 of the Bill which provides that the marketing Committee when so directed by the Provincial Government shall establish and maintain a market for agricultural produce and shall by the issue of licenses regulate the operations of traders and of any person other than an agriculturist in such a market. The Committee are however, of the opinion that the power to grant or cancel licenses should not be vested in the market committees

as it may stand the danger of being abused in several ways. The Committee feel that power should be given to the District Magistrate to grant all licenses, and no license should be cancelled except after a judicial finding by the High Court or the District Court A provision should be made that whenever an application for a license is made, the same should automatically be granted except when the person applying has been disqualified from holding a license by a Court of Law or has been convicted of an offence involving moral turpitude. The Committee would invite reference to the provisions in this respect in the Bengal Moneylenders Bill as passed by the Bengal Legislative Assembly on the 27th June, 1939. Under that Bill it is provided in clause 12 that on receipt of an application under section 11 and on payment in the prescribed manner of the licence fee specified in section 10, the Sub-Registrar shall enter the name of the applicant in the register and grant the applicant a license for conducting moneylending business Clause 14 of the Bengal Moneylenders Bill also provides that a person shall be disqualified from holding a license only if so ordered by a Court under section 20 for the period ordered or if the license holder has been convicted of an offence specified in the schedule to the Act The Committee believe that such provisions in respect of granting or cancelling licenses would remove the possibility of any abuse arising in this connection and should, therefore, be incorporated also in this Bill.

The Committee further find that a number of things have been left either to the discretion of the Advisory Committee or to be provided for in the Rules to be made by the Provincial Government. For example, the trade allowances to be made are also left to the discretion of the Government to be provided for in the rules. The Committee believe that when the grievances are known, the remedies should be incorporated in the Act itself so that persons interested in the same may have an opportunity of submitting their views on the subject.

The Committee trust the suggestions made above will receive careful consideration of the Government.

Bill to consolidate and amend the Law relating to Arbitration in India.

Copy of letter No. 2894(15)-J./J.IA-36/39, dated the 18th August, 1939, from the Government of Bengal, Judicial and Legislative Department to the Chamber.

I am directed to forward herewith a copy of the Indian Arbitration Bill, with a Statement of Objects and Reasons and notes on clauses which was published in the *Gazette of India*, dated the 22nd July, 1939* under rule 18 of the Indian Legislative Rules, and to request that

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*Not printed.

Government may be favoured at an early date with the views of your Chamber on the provisions of the Bill.

Letter No 2106, dated the 10th/11th October, 1939, from the Chamber to the Government of Bengal, Judicial and Legislative Department

I am directed to invite reference to your letter No 2894(15)J/J 1A-36/39, dated the 18th August, 1939, forwarding a copy of the Indian Arbitration Bill and inviting the views of the Chamber on the same. The Committee note that the Bill aims to consolidate and amend the law relating to arbitration in British India which is substantially contained at present in the two enactments, the India Arbitration Act, 1899 and the Second Schedule to the Code of Civil Procedure, 1908. While appreciating the necessity of standardising and consolidating the arbitration law for the whole of British India, the Committee have to submit the following remarks on some of the provisions of the Bill.

The Committee note that Clause 6 of the Bill proposes that an arbitration agreement shall not be discharged by the death of any party thereto, either as respects the deceased or any other party, but shall in such event be enforceable by or against the personal representative of the deceased The Committee would suggest that the arbitration agreement should be made similarly enforceable by or against the assignee of the contract if it has been assigned before the dispute arises.

Clause 14 of the Bill proposes that the arbitrators or umpire shall at the request of any party to the arbitration agreement or any person claiming under such party, cause the award together with any depositions and documents to be filed in Court and the Court thereupon shall give notice to the parties of the filing of the award. The Committee would point out that in presidency towns the Chambers of Commerce which conduct a number of arbitrations find it more convenient to return the documents to the parties concerned. The depositions and the documents are produced in Court only if the Chamber is summoned to do so. The Committee therefore feel that it should not be obligatory upon the arbitrators or umpire in case of private arbitration to ordinarily file in Court the depositions and documents unless called for. Moreover the parties desiring to obtain copies of the depositions and documents from the Court will be put to unnecessary inconvenience and expenses.

Clause 17 of the Bill proposes that where the Court sees no cause to remit the award or any of the matters referred to arbitration for reconsideration or to set aside the award, the Court shall after the time for making an application to set aside the award has expired, or such application having been made, after refusing it, proceed to pronounce judgment according to the award and upon the judgment so pronounced

a decree shall follow and no appeal shall lie from such decree except on the ground that it is in excess of or not otherwise in accordance with the award The Committee of the Chamber, however, feel that the existing law that the award can be executed as a decree immediately on its being filed especially in presidency towns should be retained. To obtain judgment upon the award in every case and to get the decree thereafter would not only be cumbrous but also dilatory and expensive. The Committee are aware that the English Law in this connection has been changed but they feel that the existing provisions in India have proved very satisfactory and salutory so far as presidency towns are concerned. The Committee would point out that the principal object of arbitrations is to provide expeditious remedy and the same would be frustrated if the proposed changes are introduced. The Committee appreciate that the Law in this respect should be standardised but according to them the main object to be kept in view is to provide a speedy remedy. The existing law has worked satisfactorily ever since 1899 and the proposed alterations will seriously upset the smooth and swift machinery known to and availed of by merchants till now. The Committee do not see any necessity to follow the English Law when it is found that the change instead of bringing any advantage, would definitely prove detrimental to the interests of the parties Moreover, the proposed change will compel the persons in whose favour the award is made to wait for some time to allow the statutory period for making the application to set aside the award to expire He will again be required to wait for obtaining the judgment upon the award and then the decree from the Court He will have to wait further for the completion of the decree and pay heavy stamp duty. The Committee are afraid the procedure to get judgment and decree will give an incentive to debtors to raise frivolous objections and obstruct executions as long as possible The Committee are therefore of opinion that the proposed change would really amount to inviting the debtor to raise objections and put forth obstacles merely for the sake of doing so. The Committee believe that clause 18 of the Bill will not effectively protect the decree holder if a fraudulent debtor secretly disposes of his property for it is well nigh impossible to prove that the debtor is fraudulently taking steps to do away with his property with the intention of defeating, dealing or obstructing the execution of the decree. The Committee would state from the experience of a large number of members that about 95 per cent of such applications to the Court on behalf of the award holder would be dismissed and at times when an order is obtained and *ex parte* proceedings are taken for arrest or attachment, the award holder becomes liable in damages.

Clause 22 of the Bill provides for parties to suit applying for an order of reference to arbitration. The Committee would suggest that provision should be made for enabling a minor to refer the matter to arbitration through his guardian.

Clause 29 of the Bill proposes that the Court may if it thinks fit, whether the time for making the award has expired or not and whether the award has been made or not, enlarge from time to time, the time for making the award and that any provision in an arbitration agreement whereby the arbitrators or the umpire may enlarge the time for making the award, shall be void and shall be of no effect. In the opinion of the committee however the existing law of allowing the arbitrators or umpire to enlarge the time for making the award is very convenient and salutory It has been very often found that in the majority of cases an award cannot be made within three months as mentioned in the First Schedule The Committee would therefore suggest that the arbitrators should be allowed to extend the time by and up to six months by endorsement without recourse to the Court. If parties or arbitrators are compelled to make an application to the Court each time the time is enlarged it would be very expensive and in some cases the costs would be prohibitive. The Committee therefore would strongly emphasise the necessity of retaining the existing provisions in the law on the subject. Similarly the umpire should be allowed to extend the time up to three months without recourse to the Court.

Clause 30 of the Bill provides that a sum directed to be paid by an award shall unless the award otherwise directs, bear interest at the rate of six per cent per annum from the date of the award. The Committee would suggest that a provision should be made authorising the arbitrators to allow interest on losses or damage whether before or after the award.

Clause 33 proposes that any person desiring to challenge the existence or validity of an arbitration agreement or an award or to have the effect of either determined shall apply to the Court and the Court shall decide the question on affidavits The Committee feel that it should be made clear that the application should be made to the Court where the award is filed and not to the executing Court

The Committee trust the suggestions made above will be given careful consideration by the Government

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Official Trustees (Bengal Amendment) Bill, 1939

Copy of letter No 1657(8)-L A., dated the 21st April, 1939, from the Secretary, Bengal Legislative Assembly to the Chamber

I am directed to forward herewith a copy of the official Trustees (Bengal Amendment) Bill, 1939* by the Hon'ble Nawab Musharruf

*Not printed

Hossain, Khan Bahadur with the Statement of Objects and Reasons and to request that you will be so good as to favour this office with an expression of opinion of your Chamber on the provisions of the Bill.

2. I am to request that reply may be sent so as to reach me by the 17th July 1939.

Letter No. 1774, dated the 26th August, 1939, from the Chamber to the Secretary, Bengal Legislative Assembly.

I am directed to refer to your letter No 1657(8)-L A. dated the 21st April 1939 forwarding therewith a copy of the Official Trustees (Bengal Amendment) Bill, 1939 and requesting the Chamber for an expression of their views on the same. The Committee find that the Bill seeks to change the system of "one hundred per cent. audit" at present in respect of the accounts of all estates to a system of "suitable fractional audit". The Committee have not been able to appreciate clearly as to what will be the effect of the amendment in the Official Trustees Act, 1913. So far as the Committee can see, the Bill does not give any details as to how a "suitable fractional audit" is to be carried out but only leaves it to be prescribed by the Government later on by means of rules. The Committee are obviously unable, under the circumstances, to give any definite views on the question as to what would be the effect of the change over from the "100% audit" to "fractional audit".

ADMINISTRATOR-GENERAL'S (BENGAL AMENDMENT) BILL, 1939.

Copy of letter No. 1656(9)-L A, dated the 21st April, 1939, from the Secretary, Bengal Legislative Assembly to the Chamber.

I am directed to forward herewith a copy of the Administrator-General's (Bengal Amendment) Bill, 1939,* by the Hon'ble Nawab Musharruf Hossain, Khan Bahadur with the Statement of Objects and Reasons and to request that you will be so good as to favour this office with an expression of the opinion of your Chamber on the provisions of the Bill.

2. I am to request that reply may be sent so as to reach me by the 17th July, 1939.

Letter No. 1773, dated the 26th August, 1939, from the Chamber to the Secretary, Bengal Legislative Assembly

I am directed to refer to your letter No 1656(9)-L.A dated the 21st April 1939 forwarding therewith a copy of the Administrator-General's (Bengal Amendment) Bill, 1939 for an expression of views of the Chamber on the provisions of the Bill. As regards clause 6 of the Bill

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*Not printed.

which seeks to do away with the necessity of the Administrator-General notifying the fact of his having fully administered an estate in the Official Gazette the Committee are of the opinion that if such requirement is dispensed with, the public or those concerned will have no means to know whether a particular estate has been fully administered or not. The Committee therefore are of opinion that the provision in sub-section 1 of section 27 of the Administrator-General's Act of 1913 requiring the Administrator-General to notify the fact of his having administered the estate in the Official Gazette should be retained.

As regards clause 10 of the Amending Bill, the Committee have not been able to appreciate clearly as to what will be the effect of the amendment in section 45 of the Administrator-General's Act. So far as the Committee can see, the Bill does not give any details as to how the "suitable fractional audit" is to be carried out but only leaves it to be prescribed by the Government later on by means of rules. The Committee are obviously unable, under the circumstances, to give any definite views on the question as to what would be the effect of the change over from the "100% audit" to "fractional audit".

Draft Bengal Factories Rules, 1939.

Letter No. 2105, dated the 10th/11th October, 1939, from the Chamber to the Government of Bengal, Department of Commerce

I am directed to invite reference to your Notification No. 2069-Com dated the 8th July 1939 regarding Draft Bengal Factories Rules, 1939. The Committee note that it is proposed to consolidate the various rules applicable to factories in the Province under the general title of Bengal Factories Rules. The Committee have considered the various amendments and additions proposed in the Rules and they have to submit the following remarks on the same

Clause (2) of Rule (6) proposes that the number of workers in a factory for whom septic latrines shall be deemed to provide accommodation shall be the maximum number of daily users as approved by the Director of Public Health or the number of workers provided for on the scale specified in sub-rule (1) whichever is less and where the number so calculated is less than the total number of workers employed, the accommodation provided in the way of septic tank latrines shall not be deemed to be sufficient within the meaning of section (20). The Committee would point out that many of the factories have got such latrines in the Cooly quarters and while calculating the number of latrines in a particular factory, either the latrines of the cooly quarters should be taken into account or the number of actually daily users plus a certain percentage of the same should be considered the determining factor in the number of latrines required under these Rules.

The Committee would also suggest that the word 'factory precincts' should be defined more clearly in clause (2) of Rule (7) for there are mills which have got septic latrines, though easily accessible to workers but situated just outside the boundary walls. Moreover clause (7) should apply to latrines to be built in future and not the existing ones as the design or site or situation of the latrines in a number of existing factories cannot be changed without making major alterations in the whole plan of the mill or factory.

Clause (2) of Rule 29 proposes that no driving belt when not in use shall be allowed to rest or ride upon a revolving shaft. The Committee would point out that whenever the belt slips from the driving pulley it falls on the revolving shaft and has to remain their until it is either put back on the drum or taken off altogether Some provisions should therefore be made to allow such temporary restings due to slippages.

Clause (2) of Rule (48) proposes that no child under the age of twelve years shall be permitted within the compound or precincts of jute mills, jute pressing factories etc , except in those mills or factories in which a suitable room is set apart solely for the use of such children and the nature of the supervision exercised over them is approved by the inspector. The Committee would however state that some mills have got schools and playgrounds attached to the same in addition to the staff quarters situated inside the compound of the mill boundary and children under twelve years have got to go there. The Committee would therefore suggest that in such cases the precincts of the jute mills should relate only to rooms where the work is carried and the provision should not apply to compounds.

According to Rule (81) the annual return is to be submitted by the manager of every factory by the 15th January following the end of the calendar year to which the return relates. In the opinion of the Committee the time allowed is rather short and returns should be required to be submitted by the 31st January instead of the 15th January.

The Committee would also point out that no definition of the 'Act' is given in the Rules though there are various references to the Act in the Rules.

The Committee trust the suggestions made above would be given careful consideration by the Government.

Delay in Transmission of references from the Government of India to the Chamber.

Letter No. 898, dated the 17th May 1939, from the Chamber to the Government of Bengal, Department of Commerce and Labour (Commerce).

The attention of this Chamber has been drawn to the fact that often considerable delay occurs in the transmission of important references from the Government of India to this Chamber through your Department with the result that very little time is left for the Chamber to consider the matter and submit its views before the last date fixed for receiving such criticisms. For example, if you will kindly refer to your Department Memo. No 1288(12)-Com dated the 19th April 1939 forwarding therewith a copy of notification No M-826 dated the 16th March 1939 from the Government of India, regarding Petroleum Rules, you will find that although the Government of India's notification was issued on the 16th March 1939 it was forwarded from your office on the 19th April 1939 and was actually received in the office of the Chamber on the 10th May 1939. It will be observed that whereas the Government of India had allowed two months' time for the submission of criticisms the Chamber actually got only 5 days within which to submit their views as a result of the delay taken in transmission. Certain other cases of such delay have also been noticed recently. You will appreciate that it becomes difficult for this office to obtain the views of its interested members on the various references when only a few days time is left for the submission of views. The Committee shall therefore be obliged if you will kindly look into the matter and see that unnecessary delays in the transmission of references are eliminated in order to ensure the same reaching this office in good time for submission of views.

Thanking you.

Regulation of Prices of Petrol.

Letter No. 1845, dated the 4th/5th September, 1939, from the Chamber to Indian Merchants Chamber, Bombay.

I have received a letter from Messrs. Western India Oil Distributing Co., Ltd., requesting the Chamber to support the proposal of the Government of Bombay to take powers to control the prices of petrol. The Committee of the Chamber have considered the question as also the printed note in the matter issued by the Company and they are in favour of legislation fixing the maximum and minimum prices of petrol. In fact the Tariff Board had as early as 1927 mentioned that there was evidence which suggested that all petroleum products were

being sold in India at exhorbitant prices owing to oil business being in the hands of Oil Trusts and that the consumer had to pay a sum which might amount to Rs. 5 crores per annum in excess of economic prices The Tariff Board had also suggested that an alternative course was that the Government should in the last resort devise means to control prices. The Committee therefore support the proposal of the Government of Bombay, but as the matter primarily concerns the Bombay Presidency they have not written to the Bombay Government directly on the subject.

Copy of letter No 2777, dated the 18th October, 1939, from the Indian Merchants' Chamber, Bombay to the Chamber

Regulation of prices of petrol and kerosene products.

With reference to your letter of the 5th September, my Committee had enquired of the Government of Bombay as to their exact proposals in the matter of regulation of petrol prices. In reply they were informed that the matter was under consideration and that it would be some time before the proposals were formulated In view of the fact that the Government proposals are not yet ready and in view of the developments in the international situation, my Committee have decided that the matter be held over and that the papers on the subject be recorded pending receipt of full particulars of the Government proposals in this regard.

BENGAL SHOPS AND ESTABLISHMENTS BILL, 1939.

Copy of letter No. 3842(15)-Com , dated the 19th December, 1939, from the Government of Bengal, Department of Commerce and Labour to the Chamber.

I am directed to forward for the information of your Chamber a copy of the Bengal Shop and Establishments Bill, 1939* which was introduced in the Bengal Legislative Council on the 11th December, 1939 and referred to a Select Committee of the House with instructions to submit their report by the 28th February, 1940 I am to say that any opinion on the provisions of the Bill which your Chamber may submit to this Department by the 31st January, 1940 at the latest will be placed before the Committee for consideration

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Letter No. 273, dated the 26th/30th January, 1940, from the Chamber to the Government of Bengal, Department of Commerce.

I am directed to refer to your letter No. 3842(15)-Com. dated the 19th December, 1939 forwarding therewith a copy of the Bengal Shop and Establishments Bill, 1939 which was introduced in the Bengal

*Not printed.

Legislative Council in December last and referred to the Select Committee of the House. The Committee have carefully considered the provisions of the Bill and I am directed to give below their views on the same.

Clauses 5, 7 & 9 of the Bill.—The Committee find that the Government have adopted 1½ days holiday each week for all employees as the general principle for all shops, commercial establishments and establishments for public entertainment or amusement. The Committee may point out that the principle of the regulation of the conditions of work of Shop Assistants and employees is a comparatively new one not only so far as India is concerned but even in other countries which are advanced in social legislation. As the Committee had pointed out in their letter No. 1280 of the 27th June, 1938 they think that one full holiday in the week is sufficient. As your Government are aware, the introduction of these holidays so far as shops and commercial establishments etc are concerned is itself a new departure from the existing practice and the Committee feel that the prescribed 1½ days holiday from the very beginning would greatly dislocate trade and business They may point out that in actual practice the observance of half-day as holiday will mean a full holiday In the general sense of the term "half-day is understood to be upto 12 noon" and hence the half-holiday usually starts after that hour which period is most important from the view point of business and sale So far as the Government and other offices are concerned, it may be easier to have an extra half-holiday in the week without disturbing the daily routine of work but the Committee trust that so far as the shops and commercial establishments are concerned, the Government will realise the difference that it would make. It is, therefore, suggested that the provisions of the Bill should be altered so as to allow only one full day's holiday in the week instead of 1½ days' as provided at present.

Clause 6, sub-clause 1—The Committee would next invite the attention of the Government to sub-clause 1 of clause 6 of the Bill. The closing hour for shops has been fixed according to the sub-clause at 8 P.M. The Committee submit that the closing hour for shops should be extended to 9 P.M The Committee may point out that it is only after office hours in the evening that shops have their busy selling period and it might be a hardship on them if the closing hour is fixed at 8 P M Even after the selling is over, the question of making over delivery has to be considered. Moreover, the extension of the closing time to 9 P M. would not, in any way, the Committee may point out, mean an extension of the hours of work of shops The hours of work will remain the same and those intending to take advantage of later closing hour in the evening will have to open their shops later in the

morning. The Committee trust that this suggestion will meet with the approval of the Government In this connection, they would also like to point out that on certain festival days in the year, for example, Deewali, it is the custom to keep the shops open till late in the night, some times up to the early hours of the morning. It is, therefore, essential that adequate provision should be made in the Bill with regard to exemption on such days.

Clause 8 —With regard to hours of work in commercial establishments, the Committee have not been able to follow as to how the total number of hours of work in any one month are fixed at 208 Even assuming that 1½ days' holiday will have to be granted each week to the employees, the number of working days in a month comes to 24 or 25 in a month of 30 and 31 days respectively leaving aside for the present the month of February. With 208 as the month's number of hours of work the average period would come to between 8 and 9 hours while ten hours is the period allowed in the Bill The Committee trust that the provisions of the clause will be carefully looked into As a matter of fact, it is not necessary, in their opinion, to fix the hours of work on a monthly basis

Clause 8, sub-clause 3 —In the proviso to sub-clause 3 of clause 8 an exception is made with regard to the number of hours of work in any one day The Committee suggest that the wordings may be altered so as to include religious and other festivals like Deewali and the New Years Day etc The Committee have also to suggest in this connection that as Puja time (Bhadripad 6 to Ashwin 6) is the most important period during the whole year for the sale particularly of piece-goods, shops may be allowed to be open for longer hours during this month

Clause 14 —As regards the overtime wages, the Committee would like to point out that conditions in shops and commercial establishments are not similar to those in factories and it is very difficult to maintain an accurate to-the-minute calculation. The Committee are, therefore, of opinion that the matter should be left to the good sense of the employers. Even otherwise, the provisions of the Bill are a great advance and the Committee hope that in order to avoid complications, Government will agree to omit the provision from the Bill with regard to payment at increased rate for overtime work.

Clause 17: *Powers of Inspectors.*—The Committee submit that matters should not be left entirely to the discretion of the Inspectors so far as their powers regarding entering shops and examination of records etc are concerned. They suggest, therefore, that in sub-clause

(*a*) of clause 17 between the words "enter" and "remain" and in any "shop" the words "for carrying out the purposes of this Act" shall be inserted It is also suggested that the words "as he thinks fit" at the end of the sub-clause should be substituted by the words "as may be necessary for carrying out the purposes of this Act".

Sub-clause (*b*) —Similar change is required to be made in the sub-clause (*b*) where instead of the words "as he deems necessary" the words as may be necessary" should be substituted

Sub-clause (*c*).—Specific reference to clause 15 which is the substantive clause with regard to the provision for maintenance of records, registers etc should be made in this sub-clause.

Sub-clause (*d*) —The general power given to the Inspectors under this sub clause appears to be very wide

Clause 18: Penalties.—The Committee are of the opinion that the punishment for contravention of the provisions of the Bill should be confined to only fines. As pointed out above, the present law when enacted would itself be a great advance on and an altogether departure from, the existing practice and it would not be desirable to impose the penalty of imprisonment for contravention of the provisions of the Bill. In any event, the period of six months rigorous imprisonment provided for in sub-clause (1) is very drastic and if penalty of imprisonment is at all to be kept, it may be limited to a fortnight.

The Committee trust that the above views will receive the careful consideration of the Government and the Select Committee.

MARINE.

RATES OF COMPENSATION PAYABLE TO INDIAN SEAMEN FOR SHORT OR BAD PROVISIONS.

Copy of letter No. S/1007, dated the 25th March, 1939, from the Mercantile Marine Department, Calcutta District to the Chamber.

SUBJECT: Rates of compensation payable to seamen for short or bad provisions.

I have the honour to forward herewith a copy of Government of India, Department of Commerce letter No 70-M II(2)/39, dated the 7th March 1939 and of its enclosure on the abovementioned subject (which are self-explanatory) and to request you to put forward your views to this office as early as possible for transmission to Government.

Copy of letter No. 70-M.II(2)/39, dated the 7th March, 1939, from the Government of India, Department of Commerce, to the Mercantile Marine Department, Calcutta District.

SUBJECT : Rates of compensation payable to Seamen for short or bad provisions.

I am directed to forward, for information, a copy of a question asked in the Legislative Assembly by Mr N. M. Joshi, on the above subject, on the 13th February 1939, and the reply given thereto *

2 As you will observe, the questioner asked, *inter alia*, whether Government would be prepared to consider the question of making the necessary amendments in section 86(1) of the Indian Merchant Shipping Act, 1923, so as to raise the amounts of compensation paid to Indian seamen and equalise them with those granted to European seamen, and he was told in reply that the matter was under consideration.

3. The section of the Indian Merchant Shipping Act referred to above deals with the rates of compensation admissible to seamen in respect of short or bad provisions supplied to them, and it contains two different sets of rates, one for Indian seamen and the other for European seamen or other persons shipped on the same footing as European seamen, the rates for the latter being higher than those for Indian seamen This section in the Indian Merchant Shipping Act applies generally to all seamen employed on Indian registered ships of section 5(2)(c) The corresponding provision in the English Merchant Shipping law dealing with this matter is section 199 of the Merchant Shipping Act, 1894, but this section does not make any distinction between Indian and European Seamen, and it prescribes only a single set of rates which, according to the current rates of exchange, is higher than that prescribed for Indian seamen by the Indian Merchant Shipping Act This section applies, among others, in the case of all seamen employed on United Kingdom registered ships, and Indian seamen while employed on such ships are entitled to the higher rates of compensation prescribed thereby The fixing of two different rates of allowances by the Indian Merchant Shipping Act has, therefore, in practice led to Indian seamen on Indian registered ships getting lower rates of compensation not only in relation to European seamen, but also as compared with Indian seamen employed on United Kingdom registered ships.

4. After careful consideration of the above circumstances the Government of India feel that this anomaly in the law should be removed, if possible. They are of the opinion that the best way of effecting this would be to remove the distinction between Indian and European seamen contained in section 86 of the Indian Merchant

*Not printed.

Shipping Act and to fix a single rate, approximately equivalent to the rates prescribed by the Merchant Shipping Act, 1894, for all seamen covered by it. They believe that, in practice, cases in which compensation is paid under the Indian Act are few and that accordingly the changes contemplated above are not likely to result in any appreciable increase of expenditure to shipping companies Before considering the matter further, however, they would be glad if you would consult the Chambers of Commerce and Shipping Companies in your district and forward their views to this Department, together with any observations that you may have to offer

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Letter No 1046, dated the 1st June, 1939, from the Chamber to the Principal Officer, Mercantile Marine Department, Calcutta District.

I am directed by the Committee of the Indian Chamber of Commerce, Calcutta to refer to your letter No. S/1007 dated the 25th March 1939 forwarding therewith copy of a letter dated the 7th March 1939 from the Government of India, Department of Commerce regarding rates of compensation payable to seamen for short or bad provisions The Committee note that the Government of India desire to remove the existing distinction between Indian and European seamen in regard to payment of such compensation Although as the Hon'ble the Commerce Member pointed out in reply to Mr. N M Joshi's question in the Legislative Assembly in February last, the difference might have been due to the fact that the ordinary dietory of the European seamen costs more than that of the Indian seamen, the Committee agree to the removal of the existing discrimination in these rates. The Committee suggest that the rate of compensation fixed for European seamen may be extended to Indian seamen and they do not think there is any necessity to raise them to the level of the rates fixed under the English Merchant Shipping Act.

THE REPORT OF THE IMPERIAL SHIPPING COMMITTEE.

Copy of letter No. 100-M.I/38, dated the 5th June, 1939, from the Government of India, Department of Commerce to the Chamber.

I am directed to say that the Government of India have at present under consideration the recent Report of the Imperial Shipping Committee on British Shipping in the Orient and that before formulating their views, they would be glad to receive any observations on the Report which your Chamber may wish to offer I am to request that the reply to this letter may be sent so as to reach this Department not later than the 5th July 1939.

Letter No. 1628, dated the 10th August, 1939, from the Chamber to the Government of India, Department of Commerce

SUBJECT. Report of the Imperial Shipping Committee.

I am directed by the Committee of the Indian Chamber of Commerce, Calcutta, to acknowledge receipt of your letter No 100-M I/38 dated the 5th June 1939 and as desired by you therein, I beg to offer the following observations on the 38th Report of the Imperial Shipping Committee on British shipping in the Orient and trust they will receive your careful consideration.

The Committee have to point out at the outset that in paragraph 2 of the Report, the expression "British shipping" has been so defined as to include "shipping registered at any port in the British Commonwealth (including the Indian Empire)" and it is emphasised that wherever the term British Commonwealth is used it is understood that the Indian Empire is included While from the constitutional point of view, this is no doubt an accurate definition since India is a part of the British Commonwealth, it should be pointed out that under the existing conditions, the definition has no value because of the entire absence of participation of Indian shipping in the overseas trade of the country. In fact, even in the home-waters of India itself, participation of Indian shipping is meagre and as the Imperial Shipping Committee themselves recognise and to which reference will be made later, there has been and is a conflict of interests between India's national shipping and the shipping of the other parts of the British Commonwealth. Unless, therefore, Indian participation in the overseas trade of the country is encouraged, the inclusion of Indian shipping within the category of British shipping will not be of any significance or value. It must be added that while India has thus been unable to participate in the foreign trade of the country and the Government of India has been statutorily denied the rights and powers enjoyed by the Dominions in regard to their coastal trade or their shipping, the burdens and responsibilities of an imperial shipping policy have been imposed upon India. The Committee do not propose to go at length into this question particularly because attention was drawn to this aspect of the question by this Chamber and other Indian commercial bodies and Indian shipping interests in their memoranda to the Imperial Shipping Committee. They have to point out, however, that in such matters as the benefit of Lee passage concessions and preference in respect of carriage of officers and goods in British ships in pursuance of an Empire maritime policy, the Government of India have endeavoured to implement an imperial shipping policy. It is essential to add that all such encouragement and assistance has been received by British shipping

only from the Government of India. In fact, the Imperial Shipping Committee themselves have urged still greater co-operation and financial assistance on the part of the various Empire governments as well as the support of mercantile and banking interests to British shipping in the larger interests of the British Commonwealth. But the Imperial Shipping Committee recognise that although several units of the British Commonwealth have sea fronts within the Orient and large export and import trade within that area, those countries are not themselves owners of much shipping. The consequence is that while Japanese shipping which has been the keenest competitor of British shipping in the Orient and which has displaced it in several spheres of maritime trade, "enjoys a very considerable measure of support from patriotic sentiment and public opinion in Japan", British shipping in the threatened trades of the Orient has no "comparable support from the peoples of the British countries in and near that part of the world". The Imperial Shipping Committee acknowledge that "it is natural that it should be so; those British countries are not themselves owners of much shipping while Japanese shipping is one of the most important industries of Japan". This pertinent observation goes to the root of the problem because until the several units of the British Commonwealth whose maritime trades are threatened by subsidising competition from foreign countries develop their own mercantile marines and constitute integral parts of a truly Commonwealth shipping, it is impossible to present a united front on the part of Empire shipping towards the shipping of competing flags Moreover, since financial aid and active co-operation of mercantile and banking interests is necessary, the alternative would involve assistance on the part of the several constituent units of the Commonwealth in support of British shipping alone which is a programme that could hardly form the basis of a satisfactory or permanent policy for the protection and promotion of Commonwealth shipping Indeed, with the growth of nationalistic feeling in the self-governing Dominions and particularly in India, it is too much to hope that assistance on the part of the Dominions or India could be unconditional. The Imperial Shipping Committee themselves point out that it was urged upon them in India that the support of Indian trading interests for British shipowners must be conditional upon action to encourage the development of the Indian-owned mercantile marine If the Committee might interpret and elaborate this view of Indian commercial bodies, they would state that it was made clear to the Imperial Shipping Committee by Indian commercial interests that in trades emanating from or terminating in India, Indian shipping should have an adequate share while in any provisions which are made in Trade Agreements or Conventions for participation

of Empire shipping, the claims of Indian shipping should be fully recognised.

With the above general observations, the Committee would now deal with some of the concrete proposals made by the Imperial Shipping Committee. The first proposal made by them is that consideration should be given by the Government to the practicability of financial assistance to the shipping companies towards the cost of operations for the modernisation of their fleet as a part of the solution of their difficulties. The Government of the United Kingdom have already taken action on those lines and have announced that they have set aside a sum of £10 Millions for loans to shipowners over a period of two years on favourable terms for the purpose of building in Great Britain tramps and cargo liners. The Committee, while urging that similar action should be taken by the Government of India to assist Indian national shipping, have to point out the anomalous position under the Government of India Act of 1935 to which attention has also been drawn by the Imperial Shipping Committee themselves in paragraph 361 of their Report whereby British shipping can claim to receive subsidies from Indian revenues in the event of such subsidies being granted to Indian shipping. On the other hand, it has been the experience of Indian shipping in the past that it did not receive similar assistance from the British Treasury as was the case when an application under the Trade Facilities Act for aid to building ships for an Indian Shipping Company was not entertained in 1926. Moreover, Indian shipping being still in an incipient stage and British shipping being the most powerful in the whole world, it is utterly inequitable to treat them on the same basis and the position becomes preposterous when protection has, in fact, to be given to Indian shipping as against this very Empire shipping which has refused to admit Indian shipping as an equal partner even in its own home waters. Besides, concrete and constructive proposals for financial assistance to Indian shipping in order to enable it to participate in the overseas trade of the country have been made but have not found favour with the Government of India. It is evident that in the present conditions of keen subsidised competition in the world of shipping, it would be suicidal for Indian shipping to try to enter in the spheres of overseas trade, all routes wherein are governed by special agreements and regulated by their respective conferences. It is essential to add in this connection that it would not be enough if the restriction to the entry of Indian shipping in the overseas trade is removed in the sense of merely permitting its participation, because this would not at all serve the object of securing the participation or ensuring the expansion of Indian shipping. Since carriage on almost all maritime trade routes

from or to India is already controlled by long established non-Indian shipping companies which have special agreements and arrangements for freight rates, berthings, quotas, ports of call etc., it would be impossible for Indian shipping to get a footing in such trades unless it is actively encouraged and assisted by financial assistance on the one hand and on the other by inducing the non-Indian and particularly British shipping companies to accommodate Indian shipping and admit them into the Conference arrangements concerned with reasonable quotas.

Another proposal made by the Imperial Shipping Committee is that there should be co-operation of the merchant and banking interests concerned to ensure that a fair and reasonable share of the carrying trade between the various parts of the Empire and Japan is allotted to the mercantile marines of the Empire. The Committee have to reiterate in this connection that such co-operation cannot be secured unless the entire outlook and policy of British commercial interests towards Indian enterprises and particularly, of British shipping towards the aspirations, demands, and efforts of Indian shipping are radically altered. The Imperial Shipping Committee themselves attach, in fact, "great importance to an improvement in the relations between the U. K. and Indian owners of shipping engaged in Indian trades" and state that "there must be created in a greater degree than exists today a genuine Indian interest in the mercantile marine of the Commonwealth". The Report admits, however, that there is an initial distrust to be overcome which is the result partly of competition in the past between Indian-owned and United Kingdom-owned shipping enterprises. They, therefore, express the hope that "the aspirations of India to enter into the field of shipping operations" which are "natural", "should be fairly met in a co-operative spirit by the United Kingdom lines". The Committee feel that there will be scope under the conditions of oceanic trade growing with the increasing enterprise of the Orient for both Indian and United Kingdom mercantile marines in the trade of India. The Committee appreciate these views of the Imperial Shipping Committee and although no constructive measures are suggested by them in this connection, they trust that these broad principles will be translated into action not only by the British shipping interests but also by the Government of India. The Committee cannot help observing in this connection that the attitude of antagonism displayed by the British shipping interests towards any efforts of Indian enterprises to expand even in routes of overseas trade which are legitimately their sphere of operation such as the Haj pilgrim traffic, does not exactly indicate that attitude of co-operation which is essential for creating a sense of partnership within the Commonwealth.

These remarks also apply to the other constructive suggestions made by the Imperial Shipping Committee regarding the necessity of co-operation of the Governments of the parts of the Empire concerned as well as the need of developing a greater degree of co-operation between the shipping lines based on the United Kingdom and the growing mercantile marines of the other parts of the Empire. Such willing co-operation on the part of the Indian commercial and industrial interests as well as of Indian shipping can only be obtained provided the British shipping interests are prepared to recognise the legitimate claims of Indian shipping in the coastal and overseas trade of the country. The Imperial Shipping Committee have drawn attention, for example, to the importance of the Indo-Japanese trade. As measured by the value of goods carried, it is on the same scale as the Japanese trade with the United Kingdom and the Continent of Europe taken together. About four-fifths of the shipping engaged is under the Japanese flag at Bombay and at Rangoon and about half at Calcutta. As regards these and other trades, the Imperial Shipping Committee have made certain specific proposals such as the apportionment of carryings between the British and the Japanese flags co-ordination between the Governments of the Commonwealth, co-operation between the British shipping lines and the mercantile marines of the other parts of the British Commonwealth etc. which deserve consideration. But, as the Imperial Shipping Committee themselves have recognised at more than one place in their Report, there cannot be any co-operation without at least a basis of equality and a common policy can only be based on pursuit of common interests Public attention has already been drawn to this part of the Report of the Imperial Shipping Committee but it is regrettable that there does not appear to be any change in the attitude of the British shipping interests towards the natural ambitions of Indian shipping. Unless British shipping interests give tangible proofs of their desire for co-operation and evince a spirit of accommodation and adjustment, it is not possible for Indian mercantile interests to consider in a favourable manner the proposals of the Imperial Shipping Committee.

In paragraph 368 of their Report, the Imperial Shipping Committee suggest the necessity of developing "some new form of organisation appointed by the Governments concerned and specially charged to watch over British shipping in Middle and Far Eastern waters". While it is no doubt desirable to have some organisation in order to consider, formulate and execute an imperial maritime policy, the Committee have to point out that before the Government of India agree to any such scheme of an organisation or to participate in any such policy, the rights and powers of India as an equal and independent maritime unit in the British Commonwealth should be fully recognised in any

such organisation and only the representatives of national shipping interests should be members of such organisation which so far as India is concerned should function in harmony with such national shipping policy as may be laid down by the Indian Central Legislature. The Committee consider that in the absence of any such recognition of India's status and without such safeguards for the vital economic interests of India, the Government of India should decline to be a party to such a scheme or to implement any policy laid down by any such organisation which may be imposed upon India at the behest of Whitehall and of powerful commercial and shipping interests in Britain and in India.

I regret the delay occasioned in sending you the reply.

FIGURES OF PASSENGER TRAFFIC AT CALCUTTA.

Letter No 1129, dated the 12th June, 1939, from the Chamber to the Chairman, Commissioners for the Port of Calcutta.

The attention of the Committee of the Indian Chamber of Commerce, Calcutta has been drawn to the correspondence exchanged between yourself and Mr. G L. Mehta, President of the Chamber, in regard to the publication of statistics about passenger traffic emanating from or terminating at Calcutta. The Committee regret to note that you do not see the necessity for the Calcutta Port Commissioners to collect and publish such figures on the ground that the Commissioners do not recover any charges from the passengers The Committee are afraid that the Port Commissioners seem to be taking too narrow a view of their functions and obligations in adopting such an attitude You are no doubt aware that the passenger and cargo trades are closely related as in the case of Calcutta/Rangoon service where the B. I. S. N. Company have three mail sailings in a week, principally for passenger traffic but on which the Port Commissioners realise charges not only in respect of cargo carried from or to Calcutta but also in regard to the vessels themselves. The Committee are surprised to note your observation that "the exact number of passengers arriving and departing from Calcutta is a matter of no concern to the administration". Passenger traffic at a port is an important factor in port economy and has to be judged not merely from the point of view of the actual returns earned on the traffic but also of the several direct and indirect benefits which it brings to the port, apart from the question of the status and prestige of the port involved in this matter. The Committee feel that this question needs to be looked at from a broader point of view and trust that the Commissioners will reconsider

the matter and try to collect and publish information regarding passenger traffic from Calcutta.

Copy of letter No. 55117, dated the 3rd July, 1939, from the Secretary, Commissioners for the Port of Calcutta to the Chamber.

With reference to your letter No. 1129 dated the 12th June 1939 addressed to the Chairman, I beg to inform you that the Commissioners at their meeting held on the 3rd July 1939 decided that statistics of passenger traffic should be collected, and arrangements are being made accordingly.

ENHANCEMENT OF RENT AT JUGGERNATH GHAT.

Copy of letter No. 51236, dated the 21st June 1939, from the Secretary, Commissioners for the Port of Calcutta to the Chamber.

I am directed to refer to your letter No. 1157* of the 17th June 1939, in which you complain that the Commissioners have increased the rate of rent of their lands at Juggernath Ghat by 50%. You say that the present rate of rent is Rs 40 per cubic foot and your Committee feel that the increase to Rs. 60 per cubic foot is exhorbitant and ill-timed.

There is no doubt that your Committee have been misinformed and that your letter has been written on information which is quite inaccurate. It is not correct that the rate of rent of the Commissioners' land at Juggernath Ghat has been increased. The Improvement Trust have recently widened a narrow Cross Road (No 5) of the Commissioners to 65 feet and it is the rate of rent of the land abutting this new road which has been revised. The present rate of rent is not Rs. 40 per cubic foot but Rs. 40 per cottah.

The revised rate of rent is neither unreasonable nor excessive It has been fixed on the basis of rent charged by other landlords for land served by an equally wide road across the Strand Road. The Commissioners' land in question is at present fully occupied, but should any portion of it be vacated, the Commissioners have received enquiries for leases at the revised rate.

STEAMER FREIGHT RATES ON HEMP AND JUTE.

Letter No. 1345, dated the 8th July, 1939, from the Chamber to the U. S. A. Liners Conference.

The Committee of this Chamber are given to understand that your Conference has recently reduced the steamer freight rates for jute to U. S. A by 4*sh.* and the present rate on jute is therefore 28*sh.* 9*d.*

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*Not printed.

per ton. The Committee also learn that the rate for hemp to U. S. A. used to be the same as for jute till now, but on account of the recent reduction in the rate for jute hemp is now charged higher than the latter. The Committee would point out that hemp is a cheaper article than jute and a higher rate for the same is not justifiable. The Committee would be glad to be enlightened about the reasons for this difference now made between the rates for hemp and jute to U. S. A , which for a long time used to be the same, and request that the freight for hemp be also reduced.

Copy of letter dated the 11th July, 1939, from the U. S. A. Liners Conference, to the Chamber.

Hemp to U. S. A.

We are in receipt of your letter No. 1345 of the 8th instant in connection with the rate of freight on Hemp to U. S. A. North Atlantic ports.

Rates of freight are not controlled by us in Calcutta but by the Secretaries of the Conference in London to whom a reference was made when this subject was first raised by a member of your Chamber and who replied stating that no reduction could be made in the Hemp rate.

We regret therefore we can do nothing further in the matter.

Copy of letter dated the 9th August, 1939, from the U. S. A. Liners Conference to the Chamber.

Hemp to U. S. A.

We refer to your letter No. 1345 of the 8th July and our reply of the 11th July on the subject of the present rate on Hemp to U. S. A. North Atlantic Ports and would advise that the Conference have now agreed to a reduction in the rate to s28/9 per 40 cubic ft. with effect from shipments which have gone forward on and from the "City of Rayville" sailed 16th May 1939.

Please advise members of your Chamber accordingly.

SUPPLY OF WATER TO VESSELS IN THE PORT OF CALCUTTA.

Letter No. 1336, dated the 8th July 1939, from the Chamber to the Commissioners for the Port of Calcutta.

Re: Supply of water to vessels in the Port of Calcutta.

The attention of the Chamber has been drawn to the recent recommendation of the Water Supply Committee of the Calcutta Corporation to entrust the work of supplying water to vessels in the Port of Calcutta to a private firm.

In this connection, the Committee have to point out that it was suggested in 1930 that the work of supplying water to vessels in the Port should be entrusted to the Port Commissioners but the question was subsequently dropped probably as it was not found advantageous to the Corporation to do so. As this is a matter of vital importance to shipping in Calcutta, which is a major port handling a very large number of steamers, it is essential that a regular and efficient supply of water to the ships in port should always be maintained and the Committee are strongly of opinion that in the best interests of the Port and the shipping companies, the supply of water to vessels should be taken over by the Calcutta Port Commissioners themselves.

The Committee therefore trust that this matter will receive the careful and favourable consideration of the Port Commissioners and that they will see their way to approve the above proposal by agreeing to undertake the supplying of water to vessels in port to the mutual interest of shipping and the Port authorities.

Copy of leter No. 59442, dated the 17th July, 1939, from the Secretary, Commissioners for the Port of Calcutta to the Chamber.

Supply of water to Shipping.

With reference to your letter No. 1336 dated the 8th July 1939, I think there is no doubt that the Commissioners would be willing to undertake the work of supplying water to shipping in the Port if it is the desire of shipping interests that they should do so but an amendment of the Calcutta Port Act would first be necessary to enable them to provide and maintain water boats required for the purpose. It would also be necessary to amend the Calcutta Municipal Act as the Corporation must obviously be relieved of their present obligation to supply water on demand The Commissioners would have to obtain the water from Corporation hydrants, and the rate at which they could supply shipping would depend largely on the rate they were charged by the Corporation.

It is understood that the Corporation have decided to consult you and other Chambers of Commerce on the subject.

SHIPPING CONFERENCE.

Telegram dated the 22nd July, 1939, from the Chamber to the Government of India, Department of Commerce.

Committee Indian Chamber of Commerce understand Commerce Member convening Conference of Shipping Interests on twentysixth

July to make explanatory survey of problems facing Shipping Companies in India. Committee have to draw attention that Indian Shipping Interests will be unrepresented at proposed Conference owing to absence of Chairman Scindia Company in London where he has been engaged in direct negotiations with British Shipping representatives which course has Government's own approval. Committee therefore consider that proposed Conference would be unfair to Indian Shipping Companies and prejudicial to their interests and strongly urge Government to postpone such Conference until return of Chairman Scindia Company next month so as to secure representation of all interests concerned and render possible full discussion of various issues including participation of Indian shipping in overseas trade.

DELETION OF CERTAIN WORDS IN THE GENERAL INDEMNITY AGREEMENT.

Copy of letter No. GX-667, dated the 4th August 1939, from Mr. W. A. Burns, Deputy Chairman of the Port Commissioners to Mr. G. L. Mehta, President of the Chamber.

We have an arrangement whereby steamer Agents give us mainly for Far Eastern Steamers a General Indemnity Agreement on the strength of which we give delivery, in the absence of a Bill of Lading, on their Local Delivery Order. This General Indemnity Agreement contains the words "or if such order or orders shall so authorise *to the order* of such person or persons". For many reasons I think that the use of the words "to the order" is objectionable.

A Bill of Lading, drawn to order, as you know, by endorsement, if the holder of the Bill of Lading wishes to sell a part (or the whole) of the consignment covered by it, he is entitled to issue a Delivery Order stamped with a one anna stamp to his buyer. The rule of the Port for many years has been that such a Delivery Order must be issued to a named buyer and cannot pass by endorsement. The system of allowing delivery against Agents' Delivery Order which, by virtue of the General Indemnity Agreement, is issued in the absence of a Bill of Lading, is at complete variance with this standing procedure. I am anxious therefore to delete the words "or if such order. persons" from the General Indemnity Agreements at the time of their next renewal, but before doing so, I would like to know whether you think the change would materially inconvenience Steamer Agents or importers engaged in the Far Eastern Trade. The present is, I realise, a highly inopportune time to make any change, but this change, it seems to me, would cause no inconvenience.

ALLOCATION OF QUOTA IN HAJ PILGRIM TRAFFIC.

Telegram dated the 7th November, 1939, from the Chamber to the Government of India, Department of Education, Health and Lands.

Committee Indian Chamber emphatically protest against Governments decision allocating only twentyfive per cent. Haj Pilgrim traffic to Scindia against seventyfive per cent. to Moghal Line under plea of present war situation. Scindia Company the only National Shipping concern operating in this line has admittedly rendered splendid services to Muslim Pilgrims by providing necessary amenities and conveniences. Governments present action in reserving major share of Haj traffic to non-Indian Company not only detrimental to cause of National Shipping but also prejudicial to Pilgrims interests. Such action being against Governments repeated assurances of solicitude for encouraging National Shipping is bound to shake confidence in Governments professions. Committee earnestly hope Government will revise decision.

Copy of letter No. F 111/39-O.S., dated 18th November, 1939, from the Government of India, Department of Education, Health and Lands to the Chamber.

With reference to your telegram dated the 7th November 1939, I am directed to forward herewith a copy of this Department Press communique* dated the 9th November, 1939.

Letter No. 2655, dated the 28th December, 1939, from the Chamber to the Government of India, Department of Education, Health and Lands.

I am directed by the Committee of the Indian Chamber of Commerce to acknowledge receipt of your letter No. F-111/39-O.S. dated the 18th November, 1939 forwarding therewith copy of a communique dated 9th November, 1939 issued by your Department and have to thank you for the same. The Committee have carefully considered the communique which had already been published in the press and have to reiterate their previous views regarding the unfair allocation of quotas in the Haj pilgrim traffic by the Government.

The Committee do not desire to go at length into this question but would like to deal with a few important points arising out of the Government communique and subsequent developments which have taken place in this connection. The Government have evinced a desire to regulate the pilgrim ship sailings this season in order "to ensure the most economical use possible of the shipping available" and have, therefore, made "special arrangements for a limited number of ships

*Not printed.

to be available". The Committee understand in this connection that the Moghul Line are berthing three ships during the current Haj season from Bombay and Karachi. As the Scindia Company had already declared their intention of berthing three ships in this traffic during this season, this would have enabled the Government to adopt the proposal put forward by the Indian shipping concern of alternate berthings with the Moghul Line which could have been effectively carried out in practice It is well-known that the Scindia Company with their two ships as against seven of the Moghul Line were able to carry about 23 per cent. of the pilgrim traffic during the last Haj season and it is evident, therefore, that during the current Haj season with their three ships as against three of the Moghul Line, they would have been in a position to carry half the total number of pilgrims, particularly in view of the speed and performance of their ships in the past and their admitted popularity with the pilgrims. It is possible that this result was foreseen by the British shipping interests and was not therefore acceptable to them But the Committee submit that that is no reason for the Government of India to have rejected a reasonable and practicable proposal made by the Scindia Company with a view to meet the war exigencies and continue their pilgrim service which they have been running satisfactorily during the last two seasons. The Government have had experience in the past of a monopoly exercised by a non-national concern in this line and apart altogether from the question of participation of Indian shipping in the overseas trade of the country, the interests of the pilgrims themselves require the continuance of the Scindia Company in this traffic.

The Committee further regard it as singularly unfortunate that the Government should in their communique have raised the issue of the rates of fares in connection with the withdrawal of the Scindia Company from the pilgrim traffic as it is not germane to the question of berthings raised by the Scindia Company nor has it anything whatever to do with their suspension of this service. It is known to the Government that it was in response to an enquiry by the Government themselves as to what the economic passage fare would be, that the representative of the Scindia Company at the Conference held in Delhi in October stated that in view of the increased cost of operations, the economic rate should be the maximum rate plus 25 per cent. as in the case of all coastal passage fares. But this suggestion has had no bearing on the question of equitable allocation of the pilgrim traffic and has had no connection whatever with their subsequent withdrawal owing to their dissatisfaction at the Government award. The Scindia Company were and are prepared to carry the pilgrims at the same rates as have been quoted by the Moghul Line and are fixed by the Govern-

ment although they are undoubtedly uneconomic provided the Government accepted the Scindia Company's proposal for the allocation of their share of the traffic or make other equitable arrangements during the current Haj season about the sailings which would maintain the status of the national shipping interests at present and in the future.

The Committee would finally emphasise that the Government of India themselves have on several occasions in the past assured the Indian public that it would be their responsibility to see that national shipping secured adequate participation in the overseas as well as the coastal trade of India. It is, therefore, deplorable that when the Government of India got a suitable opportunity of exercising State control owing to war emergency, they did not take advantage of it to assist the expansion and development of national shipping in the overseas trade of the country and did not give any weightage to an Indian concern.

The Committee are aware that the Government do not now propose to reverse their decision in this respect but they trust that they would bear in mind these views of the Committee and so allocate the quotas in future as to secure an equitable and legitimate share of the pilgrim traffic to Indian shipping and thereby implement their declared policy of ensuring the adequate participation of national shipping in the overseas trade of the country.

Copy of letter No F 111-2/39-O S , dated the 16th January, 1940, from the Government of India, Department of Education, Health and Lands to the Chamber.

Pilgrim traffic—Allocation.

Re: Unfair allocation of quotas in the Haj Pilgrim traffic.

I am directed to acknowledge the receipt of your letter No. 2655, dated the 28th December 1939.

APPOINTMENT OF INDIAN PURSERS ON CERTAIN STEAMERS OF THE B. I. S. N. Co , ON THE CALCUTTA-RANGOON LINE.

Letter No. 2463, dated the 5th December, 1939 from the Chamber to the B. I. S. N. Co., Limited., Calcutta.

The attention of the Committee of this Chamber has been drawn to the difficulties experienced by Indian passengers on the two new steamers 'AMRA' and 'ASKA' of your company, which have commenced operations on the Calcutta-Rangoon section, due to the absence of an Indian purser on Board. The Committee learn while facilities provided for in these steamers are appreciated, the absence of an Indian purser puts the passengers to much inconvenience and it will be very

helpful to the passengers if your company appoints one Indian purser on each steamer to look after the convenience of the Indian passengers.

The Committee trust you will find the suggestion acceptable.

Copy of letter No O/666, dated the 11th December, 1939, from the British India Steam Navigation Company Ltd., Calcutta to the Chamber.

With reference to your letter No. 2463 of 5th instant, in connection with the appointment of an Indian Clerk to either the "Amra" or "Aska" we have to advise that your request will be kept in view when a vacancy occurs.

CONCESSIONAL LEVY OF EXTRA FEES FOR GOODS INCURRING HEAVY STORAGE CHARGES ON ACCOUNT OF LATE RECEIPT OF DOCUMENTS.

Letter No. 2630, dated the 28th December, 1939, from the Chamber to the Commissioners for the Port of Calcutta.

The attention of the Committee of this Chamber has been drawn to the inconvenience experienced by importers on account of their being often unable to secure their cargoes from the docks owing to the non-arrival of shipping documents. The Committee understand that owing to the late receipt of documents covering shipments to the port, the importers are unable to obtain delivery of their cargoes and the same lie in the docks incurring heavy charges. As you would appreciate the delay in the clearance and the consequent demurrage charges are through no fault of the importers or the steamship agents but through the irregularity of the Postal Services due to the war.

The Committee understand that the Bombay Port Trust have agreed to certain concessional levy or extra fees in such cases on conditions which include (1) late receipt of documents and (2) detention under the orders of the Controller of Enemy Firms due to conditions arising out of the war. The Committee of this Chamber feel that a similar system should also be adopted at the port of Calcutta and they would therefore suggest that it would be advisable if the Commissioners take early steps to introduce the same at this port.

Copy of letter No. 6999, dated the 29th December, 1939, from the Commissioners for the Port of Calcutta to the Chamber.

With reference to your letter No. 2630 dated the 28th December 1939, I beg to inform you that whenever the removal of imports from the Commissioners' premises is delayed owing to the late arrival of shipping documents the importer should pay the rent charges incurred

and apply in writing afterwards to the Jetty Superintendent, if the goods are landed at the Calcutta jetties, and to the Dock Superintendent if the goods are landed at the Docks or Garden Reach Jetties, for a refund of a portion of the rent

Adequate allowance will be made for the difficulties experienced by importers and they will have no cause for complaint.

Letter No. 272, dated the 29th/30th January, 1940, from the Chamber to the Commissioners for the Port of Calcutta.

I am directed to invite reference to your letter No. 6999 dated the 29th December, 1939 regarding the proposal to levy concessional fee in cases where goods have incurred heavy storage charges owing to the late receipt of documents caused by the irregularity of Sea and Air Mail Services. The Committee note the suggestion that whenever removal of imports from the Commissioners' premises is delayed owing to the late arrival of shipping documents, the importers should pay rent charges incurred and apply in writing afterwards for a refund of the portion of the rent. While appreciating your assurance that adequate allowance will be made for the difficulties experienced by importers and that they will have no cause for complaint, the Committee feel that it would be more desirable if a definite system similar to the one followed in Bombay is adopted to deal with such cases. The Committee would point out that the Bombay Port Trust levy one-third single extra fees from the date of expiry of the free days upto the end of the 5th working day after the date of receipt of documents in all cases in which satisfactory proof is furnished that delivery of goods from the docks has been delayed owing to late receipt of documents or on account of detention under the orders of the Controller of Enemy Firms due to conditions arising out of the war Consignees are to produce a certificate from the bank detailing the marks, numbers, quantities and description of goods, the name of the importing vessel and the date of receipt of shipping documents, pertaining to the consignment specified in the certificate and the Docks Manager after duly scrutinising the same makes the necessary endorsement granting the concession. The consignees who may have cleared the goods after payment of the charges in full can also apply for a refund of the excess charges.

The Committee feel that the practice of paying the rent incurred in full and submitting afterwards a claim for refund, suggested by you, is not only cumbrous but is also likely to involve considerable delay and in certain cases even loss. Moreover, it will unnecessarily increase the work both of the importers and the Port Commissioners in so much as the former will have to pay and the latter will have to

recover full rent at first and then obtain or grant a refund of a major portion of the rent paid, after the examination of all the relevant documents. The Committee feel that the system followed at Bombay of charging a concessional extra fee is convenient to and facilitates both the importers and the Port Commissioners and they would therefore suggest that it would be advisable if you would kindly reconsider the matter with a view to introduce a similar system at the Port of Calcutta.

INDUSTRY AND LABOUR.

BENGAL INDUSTRIAL SURVEY COMMITTEE.

Copy of letter No. 286/360-I S.(Q)-2, dated the 17th January, 1939, from the Industrial Survey Committee, Bengal to the Chamber.

You are perhaps aware that the Government of Bengal have recently appointed an Industrial Survey Committee to enquire *inter alia* into the difficulties and problems of existing industries and explore the potentialities of new ones in this Province. I am directed by the Committee to forward herewith to you 5 copies of a compendious questionnaire* framed specially for the medium-sized industries and to request your Chamber to send in their replies as early as possible. I may inform you in this connection that although the questionnaire has been drawn up particularly for the list of industries printed at the bottom of page 4, it is open to you to include therein any other industries the case for which may be regarded by your Chamber to be important enough for consideration by the Survey Committee I am to add that your Chamber is invited to furnish detailed replies to only those specific points of the suggested questions which relate to the industries represented by your Chamber. For the sake of convenience, however, it is necessary that the replies should be stated separately for each kind of industry dealt with. Such of the questions as are evidently meant for individual factories may be left out, but the Committee would welcome any suggestions from your Chamber on the basis of any experience or information they may have in connection therewith.

2. As the Survey Committee have decided to finish this part of the enquiry in a few months it is particularly requested that the replies of your Chamber should reach this office by the end of February, 1939.

3. A copy of the questionnaire drawn up by the Committee for small and cottage industries is also sent enclosed* for your information.

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*Not printed.

Remarks made by Sir Thomas Ainscough, British Senior Trade Commissioner in India, on Industrialisation of India.

"Press Communique" issued by the Chamber on the 19th January, 1939, with reference to certain remarks made by the British Senior Trade Commissioner in India, regarding the progress of Industrialisation in India.

With reference to the recent remarks made by Sir Thomas Ainscough regarding the progress of industrialisation in India, the following statement has been issued to the Press on behalf of the Indian Chamber of Commerce, Calcutta :—

The remarks made by Sir Thomas Ainscough, British Senior Trade Commissioner in India, in his latest report on the United Kingdom trade with India about the development of Indian industries are unduly alarmist. They are perhaps deliberately so, for, the regeneration of national industries in India which served and is still serving to a large extent, as a market for foreign and particularly British goods, is resented by British industrial interests. There is no doubt that the warning against the policy of more domestic production is the outcome of an apprehension of the loss of market in India. But the present industrially powerful countries of the world will have to adjust themselves to the new currents of international trade in so far as world industry is redistributing itself geographically. It is undeniable that the transition from an economy based mainly on the export of raw-materials to one based on a more balanced distribution between agriculture and industry is not likely to be without difficulties and temporary maladjustments But this does not mean that the objective of a more balanced economy is not worth achieving. To have a more reliable and assured home market for his produce is certainly more in the interests of the agriculturist than an almost complete dependance upon the international market. It can be demonstrably proved that Indian agriculture has definitely benefitted owing to the development of industries. The Sugar Industry is a notable example of the manner in which industrialisation has helped the cultivator and the market provided by the Indian textile industry for Indian cotton has been of not little assistance to agriculture. The shift from food crops to commercial crops through development of such industries cannot but benefit the cultivator. Moreover, the Agricultural and Famine Commissions have repeatedly deplored the pressure of population on land in India and have suggested alternative means of employment through diversification of economic pursuits by the establishment of industries. Industrial wages being higher than of those who work on the land, they will also have a direct salutory effect on agricultural wages and tend to raise them. Nor is that all. By providing fresh avenues of

employment and raising the standard of living of the people, industrialisation will also tend to improve the demand for agricultural produce as well. Indeed, it does not require an elaborate economic analysis to show that a steady equipoise between agriculture and industry in India would be beneficial for both. This process is not only inherent in the natural growth of India but is also essential for her full development.

It is also wrong to assume that this development would mean a stoppage of or withdrawal from foreign trade; it would mean only a change in its character and direction. It is a well-known fact that the income and the standard of living of the Indian masses are very low and industrialisation by leading in the long run to expansion of wealth is more likely to help rather than hinder international trade. As the example of Germany in the past and of Japan more recently shows, with the progress of industrialisation, a country tends to purchase more goods rather than less, even if they are goods of a different variety and kind. There is, therefore, hardly any justification for the fear which Sir Thomas Ainscough has expressed with regard to the fall in the customs receipts of the Government of India and the breakdown of India's financial structure as a result of a fall in the export trade. Indeed, as Mr. Harold Butler, late Director of the International Labour Organisation pointed out in his monograph on Problems of Industry in the East, "once there is a balance in the East between manufacture and agriculture, it is reasonable to expect that the total amount of international trade available to each country will not be less but greater than before by reason of the fact that the people with high standards buys more than a people whose standards are perforce low". A foreign trade policy for India should not ignore these fundamental factors nor lose sight of the fact that industrialisation is now a recognised economic policy of the country.

Facilities for Indian Apprentices for Practical Training in Workshops.

Copy of letter No. 670, dated the 6th March, 1939, from the Government of Bengal, Agriculture and Industries Department to the Chamber.

With reference to the correspondence resting with your letter No. 1688, dated the 25th August 1938, on the subject of offering facilities to Bengalee apprentices for practical training in workshops and factories supplying stores to Government, I am directed to forward herewith a copy of Press Note* dated the 22nd February, 1939, issued by the Director of Public Information, Bengal, for the information of your Chamber.

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*Not printed.

Facilities for Industrial and Technical Education available in Bengal.

Copy of letter No. 301(5), dated the 5th October, 1939, from the Industrial Survey Committee, Bengal to the Chamber.

I have the honour to inform you that a Sub-Committee appointed by the Bengal Industrial Survey Committee has for some time past been considering the facilities for industrial and technical education available in this province. Such education, as you are aware, is universally recognised to be an essential factor in the promotion of industrial development, and by making suitable arrangements for the dissemination of this education the State can render valuable assistance to organised industries. The Sub-Committee strongly feels that this education cannot be a matter for the school alone and that it is necessary to enlist the effective co-operation of industry and commerce with a view to ensure that the training imparted through any specialised institutions set up for the purpose may be both appropriate and sufficient

2 The attention of the Sub-Committee has in this connection been drawn to the report on "Vocational Education in India" (1937) by Mr. A. Abbott, C B E, formerly H M Chief Inspector of Technical Schools, Board of Education, England, in which the question of training of industrial workers has been examined at length with reference to 3 distinct Grades of workers in industrial undertakings, *viz.*, (*a*) the Directing & Managing Grade (*b*) the Supervisory Grade *i e*, Foremen, Charge-hands, etc, and (*c*) the Operative Grade. The Sub-Committee concurs in the view expressed in Mr. Abbott's report that "the supervising class is the one on whose education and training attention should be concentrated at this stage in the evolution of organised industry in India"; it is this grade of workers, intermediate between the management and the operative, which ought to have sufficient knowledge and intelligence to understand the instructions of the former and sufficient powers of expression to communicate and interpret them to the latter.

3 It has been brought to the notice of the Sub-Committee that a number of technical institutions of different ranks either administered by the Government or controlled by organised private interests are working in this province, the higher technical institutions being situated mostly in Calcutta The Sub-Committee is however anxious to know how far the training imparted by these institutions is meeting the requirements of the organised industries of the province particularly in the recruitment of apprentices for the supervisory grades of their services As the success of such institutions depends essentially on their usefulness to organised industries of the province and the support and patronage they may obtain from the latter, the Sub-Committee has

drawn up a special questionnaire on the subject which is intended to be issued to all prominent industrial employers of the province.

4. I am desired by the Sub-Committee to send herewith a copy of the questionnaire,* for the information of the Committee of your Chamber and to request you to be so good as to furnish this office with a classified list of your members to facilitate the circulation of the questionnaire. As the information is required with a view to effecting necessary improvements in the available facilities for technical and industrial education in this province in the interest of industry and commerce, the Sub-Committee hopes that you will be good enough to circularise your constituents and request them to give their valuable co-operation to the Sub-Committee in the matter.

INQUIRY FROM THE GOVERNMENT OF BENGAL ABOUT LABORATORIES MAINTAINED BY MEMBERS OF THE CHAMBER FOR DOING RESEARCH WORK.

Copy of letter No 9312(5)-G/1-R(7)39, dated the 25th September 1939, from the Director of Industries, Bengal to the Chamber.

I write to enquire if the industrial firms affiliated to your Chamber of Commerce maintain any laboratory of their own for doing research work in subjects in which they are interested. If so, I shall be obliged, if you kindly supply me with a list of such laboratories, their addresses and the nature of researches carried on in each.

The information will be treated as strictly confidential, if so desired.

Letter No. 2617, dated the 27th/28th December, 1939, from the Chamber to the Bengal Industrial Research Board.

I have to invite reference to your letter No 9312(5)-G. dated the 25th September, 1939 enquiring about research laboratories maintained by any of the members of the Chamber. I have to state that the following two firms maintain well-equipped laboratories at their factories :—

1 North Bengal Sugar Mills Co., Ld.,
61, Harrison Road, Calcutta.

2. Birla Jute Manufacturing Co.,
P. O. Birlapur, 24-Parganas

Establishment of an Institute of Industrial Fatigue and Psychology

Copy of letter No. F-1303, dated the 27th July, 1939, from the Federation of Indian Chambers of Commerce and Industry to the Chamber.

Subject. Proposal to establish an Institute of Industrial Fatigue and Psychology in India.

The Bihar Labour Enquiry Committee submitted to the Committee of the Federation a proposal to establish an Institute of Industrial Fatigue and Psychology in India. I am enclosing a copy of the said letter* for your perusal

The Committee of the Federation at their last meeting held at Calcutta on the 9th instant decided to secure fuller information from the Bihar Labour Enquiry Committee as regards the control, management and functions of this proposed institute. In the meanwhile I am directed to enquire whether your Committee, in consultation with your constituent employers of industrial labour, would welcome the proposal to establish such an institute in India and whether it would serve any useful purpose in the solution of the present labour problems As the Committee of the Federation feel that the question is likely to have an important bearing on questions relating to employment of industrial labour, they would very much appreciate an expression of opinion from your Committee on this matter. Your communication should reach this office not later than Monday the 28th August, 1939.

Letter No. 1694, dated the 14th/17th August, 1939, from the Chamber to the Federation of Indian Chambers of Commerce and Industry.

I have to acknowledge receipt of your letter No. F/1303 dated the 27th July 1939 regarding proposal to establish an Institute of Industrial Fatigue and Psychology in India as also your further letter dated the 3rd August 1939* giving information about two similar Institutions existing in the United Kingdom. The Committee note that the Bihar Labour Enquiry Committee had submitted to the Federation a proposal to establish an Institute of this kind in the country. The Committee also note that the general aim of the two Institutions existing in England is to investigate the problems about hours of work, the personal factor in relation to accidents, design of machinery, monotony and necessity of incentives, aptitude and abilities of workers and vocational guidance While the Committee of the Chamber agree that this type of Institutions promotes greater satisfaction among labour and consequently more efficiency they feel that the existing industrial conditions in the country do not warrant the establishment of such an Institution in India. In the opinion of the Committee the

idea is premature in relation to the existing conditions, but that if it is at all decided to establish such an Institution it would be on an All-India basis.

DRAFT CONVENTION CONCERNING THE AGE FOR ADMISSION OF CHILDREN TO NON-INDUSTRIAL EMPLOYMENT.

Copy of letter No 1592(255)-Com , dated the 24th May, 1939, from the Government of Bengal, Department of Commerce and Labour to the Chamber.

Draft Convention concerning the age for admission of children to non-Industrial employment (revised 1937).

I am directed to forward for the information of your Chamber, etc., a copy of a letter from the Government of India Department of Labour, No L1763, dated the 16th June 1938, on the above subject, together with copies of its enclosure* and relevant extracts from the Indian Industries and Labour Bulletin No 64 mentioned therein, and to request that the Provincial Government may be furnished with the views of your Chamber, on the desirability or otherwise of any legislation in Bengal in respect of matters covered by the Draft Convention concerning the age for admission of children to non-industrial employment (revised 1937)

2. A reply to this letter may be sent so as to reach this department not later than 31st July 1939.

(*Enclosure*).

Copy of letter No L1763, dated the 16th June, 1938, from the Government of India, Department of Labour to the Government of Bengal, Department of Commerce and Labour

Draft convention concerning the age for admission of children to non-industrial employment (revised 1937).

I am directed to invite attention to the Draft Convention concerning the age for admission of children to non-industrial employment (revised 1937) adopted by the International Labour Conference at its Twenty-third Session. It is reproduced on pages 35-39 of the Indian Industries and Labour Bulletin No. 64—Report of the Delegates of the Government of India, copies of which have been supplied to the Provincial Government.

2. The Draft Convention of 1937 is a revision of the Draft Convention of 1932 (copy enclosed). The proposals underlying the latter Convention were referred to Provincial Governments for opinion in 1931 and the replies received indicated that it would be impossible to apply it to India under existing conditions, unless special treatment

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*Enclosures not printed.

were accorded to her The Government Delegates to the Sixteenth Session of the International Labour Conference were accordingly instructed to attempt during final discussion to secure that:

(*a*) the general minimum age for India be fixed at 10 and that for employment in dangerous occupations at 14.

(*b*) the Convention should only apply to specified occupations, *viz.*, employment in shops, offices, hotels, restaurants, and places of public entertainment, street trading and employment involving danger to health or morals and any other employment to which the provisions of the Convention might be extended by Government, and

(*c*) the provisions for enforcement of the Convention should be such as would be generally capable of adoption in this country.

The Committee of the Conference dealing with this particular subject agreed to a special Article for India on these lines, but in the full Conference, in spite of protests made by the Government Delegates, the suggested Article was amended to the form in Article 9 of the Convention When the Draft Convention was examined by the Central Government it was found that with the exception of domestic service, young children were not employed in substantial numbers in non-industrial occupations The regulation of the employment of children in private homes was not a practical proposition, in view of the fact that a large inspectorate, the expenses of which India could ill-afford, would have to be set up It was felt too that prior attention should be given to the protection of children employed in "unregulated" industrial establishments, such as carpet weaving, mica-splitting and biri making. Both Houses of the Central Legislature were consulted and both recommended that the Draft Convention should not be ratified.

3 In considering the revision of the Draft Convention of 1932, the International Labour Office originally suggested that the special exemption made for India in Article 9 should be deleted. In view of the considerations set forth in the preceding paragraph the Central Government supported this proposal and the Government Delegates to the Twenty-third Session of the International Labour Conference were instructed not to extend their support to any move for an alternative special provision. The Draft Convention which was subsequently adopted, however, provided for special treatment for India in its Article 9 and in this connection I am to invite attention to paragraphs 38 and 39 of the Report of the Government Delegates to the Twenty-third Session of the Conference (Bulletin 64) The Central Government do not believe that all-India legislation on the comprehensive lines indicated by the Convention is called for in existing Indian Conditions,

but in accordance with the Statement which was laid by it on the table of both Houses of the Central Legislature in April 1938, the attention of the Provincial Governments is drawn to the Convention and they may wish to consider whether local legislation is desirable in respect of any matters covered by it

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Letter No. 1379, dated the 13th July 1939, from the Chamber to the Government of Bengal, Department of Commerce and Labour.

I am directed to acknowledge receipt of your letter No. 1592(255)-Com. dated the 24th May 1939 forwarding a copy of a letter dated the 16th June 1938 from the Government of India regarding Draft Convention concerning the fixing of minimum age for admission of children to non-industrial employments and inviting the views of the Chamber on the same The Committee note that the Draft Convention of 1937 is a revision of the Convention of 1932 The Committee agree with the views expressed by the Central Government, in this connection that young children were not employed in substantial numbers in non-industrial occupations in the country except for domestic services and that as regards the regulation of employment of children in domestic services, it would not be a practical proposition in view of the large inspectorate required for the same, the cost of which would be prohibitive. As regards the Article 9 of the present Convention which provides that no children under 13 years of age shall be employed in certain specified professions, the Committee are doubtful whether reliable statistics are available in respect of these professions and they are of the opinion that in the absence of suitable data it would not be possible to enforce the regulation. Moreover in view of the large expenditure which Government would have to incur for regulating employment in these professions as desired, the Committee do not consider it necessary to implement the provisions of this Convention at the present time by any local legislation

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POSTS AND TELEGRAPHS.

Delivery of Mails from the Calcutta G. P O.

Letter No. 449, dated the 6th March 1939, from the Chamber to the Presidency Postmaster, Calcutta.

Re: Mail Delivery Timings.

I am directed to invite reference to the correspondence resting with my letter No. 2463 dated the 28th November 1938 regarding hours of delivery of mails from the G. P. O. As you are aware, the Com-

mittee had at first objected to the delivery time for mails received by the Down Punjab Mail to be changed from 10 A.M. to 10-30 A.M but agreed only on the understanding that this arrangement was an experimental measure and all endeavours will be made to keep at least the revised timings of delivery The Committee, however, note that the delivery timings are not being adhered to even according to the revised schedule and that certain morning mails are not delivered till early afternoon. The Committee had pointed out in the course of their correspondence previously that the question of early delivery of the principal mails of the day particularly mails arriving by the Punjab, Madras and Bombay Mails was very important for the commercial community. If these mails are delayed and delivered in the afternoon, the commercial community is put to much inconvenience particularly on Saturdays when letters received on that day cannot be replied to on the same day and have to be kept over till Monday. This is particularly true of registered mails received on Saturdays

The Committee, therefore, trust that you will kindly look into the matter and see that the delivery timings under the present arrangement are properly observed. They would also request for steps being taken to see that the post received by the Punjab, Madras and Bombay mails is delivered as early as possible in the day. The Committee shall be glad to be advised of the steps, if any, which may already have been taken towards this end.

Copy of letter No. T 7-19/247, dated the 13th March, 1939, from the Presidency Postmaster, Calcutta to the Chamber.

With reference to the correspondence resting with your letter No. 449 dated the 6th March 1939, I have the honour to say that the records of this office show that the unregistered articles of the letter mail arriving by the Down Punjab Mail train since the date of introduction of the revised hours of delivery were always included in the 10-30 A.M delivery on week days except on the 28th January 1939 when the train steamed in at 10-15 A.M. and the articles on this occasion had to be sent out by the 12-30 P.M. delivery

2. With regard to the Madras and E I R Bombay Mails it may kindly be noted that these trains are scheduled to reach the Howrah Railway Station at 10-18 A.M and 10-24 A.M and at the G P. O at 11 A.M. and 11-10 A.M. respectively and you will no doubt agree with me that articles arriving by these trains cannot be sent out earlier than the 12-30 P.M delivery.

3. Unregistered articles of the letter mail received in connection with the B. N. Rly. Bombay Mail train arriving at 7-58 A.M. are sent out by the 9 A.M. delivery provided the train reaches the Howrah

station to the schedule. Even a few minutes delay throws out the arrangement and the articles are issued by the next delivery at 10-30 A.M

4 We are in communication with the Railway Authorities if it would be possible for them to arrange for the earlier arrival of the trains carrying principal mails and in the event they agree I expect to effect some improvement over the present arrangement.

Letter No 562, dated the 18th March, 1939, from the Chamber to the Presidency Postmaster, Calcutta

I beg to acknowledge with thanks the receipt of your letter No T 7-19/247 dated the 13th March 1939 the contents of which have been carefully noted The Committee are glad that you are in communication with the railway authorities to see if it would be possible to arrange for the earlier arrival into Howrah of the trains carrying principal mails in order to enable you to effect some improvement over the present delivery timings. The Committee will be glad to be informed of the railway's reply and of further developments, if any.

Thanking you

Letter No. 2108, dated the 10th/11th October 1939, from the Chamber to the Postmaster-General, Bengal and Assam Circle, Calcutta.

As you are aware the Committee of the Chamber have been in correspondence since a long time with the Postal Department and the East Indian Railway regarding timings of issuing deliveries of mails from the Calcutta G P. O. The Chamber has been receiving numerous complaints from members that the mails received by the East Indian Railway 6 Down Punjab Mail, the 24 Down Loop Express and the B N. R Bombay Mail are received very late and business houses are often unable to deal with the letters on the same day. The Presidency Postmaster had replied to the Chamber some time back that the Punjab Mail, for example arrived in Howrah at 7-45 A M and the letters reached the G. P. O. at 8-35 A.M. and were included in the 10-30 A M. delivery and that unless the Railway Authorities could arrange for earlier arrival of this train it was not possible for the department to do anything further in the matter The Committee had addressed the East Indian Railway in this connection and the subject was also discussed at the 22nd Informal Quarterly Meeting held on the 13th September 1939 between the railways and the Chambers of Commerce at Calcutta. It was decided in this meeting that in view of the present difficulties regarding delivery of mails, a request should be made to the Postal Department to augment the Postal Transport arrangements

at Howrah to ensure letters reaching the General Post Office earlier The Committee understand that the East Indian Railway have addressed you in this connection and they would be glad if you will kindly give your careful consideration to the suggestion made by the Railway. The Committee need hardly emphasise that in an industrial centre like Calcutta the arrival of the principal mail trains and the delivery of mails from the G P O should be suited to the convenience of the commercial community and they would therefore suggest that an arrangement should be arrived at between the Postal Department and the Railways by which the complaints about late delivery of mails and the consequent difficulties to business houses may be permanently removed.

Copy of letter No Sor/B.14/75-C/Oct. '39, dated the 4th November, 1939, from the Postmaster-General, Bengal and Assam Circle, to the Chamber.

In continuation of my letter of even No. dated the 14th October, 1939, I have the honour to say that owing to the usual half-yearly revision of the Railway Time Tables with effect from 1st October 1939, the East Indian Railway 6 Down Punjab Mail, 24 Down Loop Express and B. N. Railway No 1 Down Bombay Mail trains are arriving at the Howrah Railway Station to the timings shown below. It will be seen that the Down Punjab Mail train now arrives at the Howrah Railway Station 20 minutes later than before :—

	Present.	*Previous.*
6 Dn. Punjab Mail Howrah Arr.	8-5 A.M.	7-45 A.M.
24 Dn. Loop Express ,, ,,	8-41 ,,	8-40 ,,
1 Dn. B. N Ry. Bombay Mail ,, ,,	8-0 ,,	8-0 ,,

2 As the volume of mails received by the 6 Down Punjab Mail is very heavy, sufficient margin of time is required for the process of unloading mails from the Railway van, checking them, reloading them in the motor van, transit to the Calcutta General Post Office yard etc It is also not unusual for these mails being held up on their way to the Calcutta General Post Office from the Railway station on account of traffic congestion A further margin of time is necessary for sorting out mails for the different branches and for distributing them to the different postmen according to their respective beats. It will, therefore, be seen that in spite of the late arrival of the 6 Down Punjab Mail, arrangements have been made to maintain the 2nd delivery at the usual time and in fact the 2nd delivery is even now being issued at 10-30 A M. from the Calcutta General Post Office Mails received by the Dn. Punjab Mail train are carried in a direct motor van to the

Calcutta General Post Office without waiting for other incoming mails. Augmenting the transport arrangements at Howrah will not, therefore, improve matters In this connection, a copy of letter No. OMT-247 dated the 20th September 1939 received from the Chief Operating Superintendent, East Indian Railway on the subject together with a copy of the reply sent to that officer is enclosed for your information *

3 It may further be mentioned here that the East Indian Railway authorities were addressed by this office to bring in the Down Punjab Mail train into Howrah between 6-15 and 6-30 A.M. and the Bombay Mail train between 7 and 7-15 A M but they expressed their inability to do so—*vide* copies of their letters enclosed.*

Letter No. 2547, dated the 11th December, 1939, from the Chamber to the Railway Board

I am directed by the Committee of the Indian Chamber of Commerce, Calcutta to address you on the question of train timings and delivery of mails from the Calcutta G P O The Committee had a long correspondence with the East Indian Railway and the Postal Authorities on this subject last year and the matter was also discussed in the Informal Quarterly Meeting between the Railways and the Chambers of Commerce held sometime back. The Committee had written to the East Indian Railway that the Punjab Mail and certain other trains carried the most important mail of the day and it was essential that letters brought by these mails should be delivered from the Calcutta G P O. as early as possible Before October last, for example, the Punjab Mail was included in the 10 A M delivery from the Calcutta G P. O but on account of the irregular arrival of this train, the postal authorities proposed to change the timing of the 10 A.M delivery to 11-30 A M As a result of the protest of this Chamber along with others however, the 10 A M. delivery was changed only to 10-30 A M. and the Punjab Mail was included in this delivery. As the Chamber however, continued to receive complaints that the letters carried by the Punjab Mail were delivered late and it was often difficult for business firms to take immediate action on these letters. The matter was again represented to the East Indian Railway and they were requested to arrange for an earlier arrival of this train in Howrah. The East Indian Railway however replied that the question was carefully gone into but in view of the important connection of the 6 Down Mail with the Sind Express and the Karachi Mail at Lahore it was not possible to time the Punjab Mail into Saharanpur earlier than 1-50 nor could it be accelerated over the East Indian Railway in order to make it arrive earlier at Howrah

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*Not printed.

The Chamber also wrote to the Postal Authorities in the matter and they replied that the Punjab Mail arrived at 7-45 A.M. and the letters reached the G P O at 8-30 A M. and were included in the 10-30 A M. delivery and unless the Railway Authorities could arrange for earlier arrival of this train it was not possible for the department to do anything further in the matter

As a result of the discussion in the Informal Quarterly Meeting, it was decided that in view of the present difficulties a request should be made by the East Indian Railway to the Postal Department to augment the postal transport arrangement at Howrah to ensure letters reaching the G P. O earlier The East Indian Railway addressed the Post-master-General, Bengal and Assam Circle accordingly on the 20th September, 1939 and this Chamber also supported the same by their letter addressed to the Postmaster-General, Bengal and Assam Circle on the 11th October, 1939 The latter however replied stating that owing to the revision of the railway time table with effect from the 1st October, 1939, the East Indian Railway 6 Down Punjab Mail was arriving at the Howrah Station 20 minutes later The Postal Authorities however, it was stated, had kept the time for delivering mails carried by this train from the G P O. the same as before, *i e* 10-30 A M It was further stated that the volume of mails received by this train was very heavy and sufficient margin of time was required for the process of unloading the mails from the railway-van, checking them, reloading them into the motor-van, transit to the Calcutta G P. O , and unloading them on arrival at the G. P O Yard etc The Postmaster-General observed that the mails received by the Down Punjab Mail were carried in a direct motor van to the Calcutta G. P. O. without waiting for other incoming mails and augmenting the transit arrangements at Howrah would not therefore improve the matter. He added that the East Indian Railway were requested by him to bring in the Down Punjab Mail train into Howrah between 6-15 and 6-30 A.M. and the Bombay Mail train between 7 and 7-15 A.M. but they had expressed their inability to do so

The Committee of the Chamber however, still receive frequent com plaints that though the mails carried by the Punjab Mail are scheduled to be delivered by the 10-30 A M. delivery, firms and business houses often receive letters by this mail at 2 or 3 P.M. in the day. It is obvious that in cases where enquiries are to be made on the contents of the letter and reply has to be sent on the same day, business houses find it extremely difficult to do so on account of the short time available The Committee of the Chamber therefore feel that some arrangement should be made by your Board to change the timings of the Sind Express and the Karachi Mail at Lahore so that the Punjab Mail while main-

taining the connections with these trains may arrive earlier in Howrah at about 6-15 to 6-30 A.M The Committee need hardly emphasise the importance of the question to the business community at Calcutta and they would be glad if your Board gives immediate attention to the matter.

An early reply as to the measure your Board proposes to take in the matter will oblige

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RATES FOR TELEGRAMS TO U S A

Copy of letter No R-61/38, dated the 6th April, 1939, from the Chief Engineer, Indian Posts and Telegraphs Department to the Chamber.

In continuation of this office letter No R-61/38 dated the 19th October 1938, I am directed to state that the rates for telegrams are fixed by International Regulations in terms of gold francs and for the purposes of collecting the charges in local currencies the total charge is fixed approximating the amounts expressed in gold francs The charges to the United States of America fixed by India are within the regulation framed by the International Convention and this Department is not concerned with the charges fixed in the reverse direction The United States of America is not a party to the International Convention

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Letter No 755, dated the 22nd/24th April, 1939, from the Chamber to the Bengal Chamber of Commerce

The attention of my Committee was drawn by a member of the Chamber to the fact that whereas the minimum charge for a cable from India to the first American Zone was Rs. 5/2/6 the minimum charge for a cable from that Zone to India was 1 55 dollars or Rs. 4/3/- only It will thus be seen that merchants and others in India cabling to the first American Zone have to incur about 20% more expenditure on a cable than the charge from the opposite direction The Committee referred the matter to the Indian Posts and Telegraphs Department to which a reply has now been received from the Chief Engineer, that the difference in the cable charges from either side is due to the fact that whereas India was a party to the International Convention and had to fix the charges for a cable to the U S. A according to the regulation framed by the Convention, the U. S. A was not a party to the said Convention and hence fixed the charges independently. I am enclosing herewith for your ready reference copies of the correspondence passed between the Chamber and the Postal Department.

My Committee desire to take up the matter with the Government of India with a view to urge them to bring down the cable charges from India to the U. S. A. to the same level as in the reverse direction in consultation with the International Postal Convention and they will be glad to know whether your Chamber will also be willing to support the representation

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Copy of letter No 2452-1939, dated the 4th July, 1939, from the Bengal Chamber of Commerce to the Chamber

Cable charges between India and the U S. A

I am directed to refer to your letter No. 755 of the 22nd/24th April last in which you enquired whether the Bengal Chamber of Commerce would be prepared to support representations to the Government of India with a view to steps being taken to reduce the minimum charge—at present Rs 5/2/6—for a cable from India to the First American Zone to the same level as in the reverse direction, namely Rs 4-3-0.

2 The delay in furnishing you with a reply is regretted. It has been occasioned by the enquiries which it has been necessary for the Chamber Committee to make before coming to a decision on the merits of the suggestion you have asked them to consider. Your letter under reply plainly has reference to the charge for a telegram in code, the minimum charge for which is as for five words. The charge for each word in code is three-fifths of the charge for each word in plain language Under the International Postal Convention all telegraph rates are fixed in terms of so much for a telegram of the ordinary class sent in plain language The charge per word from India to the First Zone of the United States is Rs 1/11/- for a telegram of the ordinary class sent in ordinary language The charge per word for a telegram in code is therefore Rs. 1-0-6 and the total charge for a code telegram of the minimum length of five words is Rs. 5/2/6 as stated by you.

3 The Chamber's enquiries show that the charge per word for foreign telegrams is made up of the charges claimed by the countries of origin and destination and by the countries or telegraph companies over whose route the telegram passes during transit. All these charges are fixed in terms of gold francs of 100 centimes. The country of origin collects the total charges from the sender of the telegram, retains its own share and hands over the balance to the different countries and/or companies concerned. These shares are fixed in terms of gold francs; but obviously the charge to be recovered from the sender of a telegram in any country must be in the currency of that country and the rates cannot be varied from day to day or month to month accord-

ing as exchange fluctuates. All countries therefore adopt what they consider a reasonable and suitable rate of exchange and fix telegraph charges per word in terms of their own currency, no change being made unless and until there is a permanent change in the relation of the currency of the country to gold or unless the sharing countries or companies ask for a change The charge per word for a telegram from India to America has been fixed by international arrangement at 2 35 gold francs, whether by cable or by wireless In converting this figure of 2 35 gold francs, into Indian currency, the Posts and Telegraphs Department has adopted the rate of Rs. 0-11-6 per gold franc and has been successful in persuading the various sharing countries and companies to accept a similar conversion rate Actually, however, the Chamber understands—the rate of exchange is at present approximately Rs. 0-15-0 per gold franc If this rate had been adopted the charge per word for a cable from India to America would have been increased from Rs 1-11-0 to Rs 2-0-3 The Department of Posts and Telegraphs has refrained from raising the rate and by doing so has accepted, in common with the other sharing countries, a lower return than the gold franc rate would justify at the present exchange.

4 The charge from America to India is also 2 35 gold francs per word in plain language A code telegram with a minimum of five words is therefore 7.05 francs, which at present rate of exchange amounts to approximately 2 dollars 30 cents But for purposes of conversion into American currency the United States, like India, has adopted a standard rate of conversion when the value of the dollar was higher than at present in relation to gold This standard rate of conversion brings the charge for a code telegram to India of five words to 1.55 dollars as stated in your letter. The rate of conversion as between dollars and rupees also varies and the charge in America for a telegram to India may, in rupees, amount to more than the figure of Rs. 4-3-0 stated in your letter.

5. The position as this Chamber sees it is that in terms of the currency adopted by the International Postal Convention, namely gold francs, the rate for telegrams between India and America is the same in both directions, namely, 2 35 gold francs per word in plain language; that the difference to which you refer arises solely by reason of the standard rates of exchange adopted in America and in India for conversion of the gold franc rate into the currency of the country of origin; and that as an impossible position would arise if telegraph charges were made to vary according to the ruling rate of exchange of the currency of each country in relation to gold is order to bring about equality of charges in all currencies, such equality cannot be insisted upon. The Chamber is informed that for these very reasons the rupee rates

per word for cables from India to Switzerland, Italy and Germany, for instance, are lower than those in the reverse directions when expressed in terms of rupees The Chamber Committee are not in these circumstances in favour of opening up the whole question of cable rates by endeavouring at the present time to justify a reduction in the charge from India to the First American Zone It has been pointed out to them that there is on the contrary, a case for the revision of the Indian rates in an upward direction in view of the present lower relation of the rupee to gold than existed when the current conversion rate of Rs 0-11-6 per gold franc was fixed.

PUBLICATION OF HOOGHLY RIVER SHIPPING GAZETTE

Letter No 1514, dated the 31st July, 1939, from the Chamber to the Postmaster-General, Bengal and Assam Circle.

The attention of the Committee of this Chamber has been drawn to the fact that the Postal Department propose to discontinue publication of the *Hooghly River Shipping Gazette*. The Committee understand that the reason advanced by the Department for the same is that the compilation and publication of the Gazette is not a legitimate function of the Posts and Telegraphs Department. The Committee would however point out that the information contained in the Gazette is very valuable to both Ocean shipping interests and Inland shipping interests. Owners of Ocean going vessels maintain that the information contained in the Gazette is very useful to them in making the necessary arrangements for docking and berthing of vessels and particularly so in respect of chartered vessels as the information enables them to arrange for giving at the proper time the notice of readiness etc. to the Charterers. It is also stated that if the information now published in the Gazette is not available it would entail considerable hardship upon shipping Owners of Inland vessels as well as small steamers without wireless have also urged the necessity of continuing the publication of the Gazette as their vessels are not equipped with wireless and it is of great importance to them particularly when the port is threatened with or experiencing severe weather to be in possession of information regarding the movements of vessels, which is now published in the Gazette and in most cases such information constitutes the first advice of the actual position of their vessels after departure from the last port of sailing.

The Committee would further state that there is no other source from which accurate information as regards the movement of both Inland and Ocean going vessels can be obtained and the Gazette as such supplies an essential need. The Committee would therefore request

you to kindly continue publication of the *River Shipping Gazette* in view of the great importance in which it is held by Shipping interests.

Letter No. 2390, dated the 23rd November, 1939, from the Chamber to the Director-General of Posts & Telegraphs.

I am directed to invite reference to my letter dated the 31st July, 1939, regarding publication of the *Hooghly River Shipping Gazette.* The Committee of the Chamber understand that it is proposed to discontinue publication of the Gazette definitely from 1st January, 1940, as it is considered that the publication of the Gazette is no part of the legitimate functions of your department, and also because the same involves the department into a considerable loss The Committee would however again point out that the information contained in the Gazette has proved extremely useful to both inland and ocean going shipping interests and discontinuation of the publication of the Gazette would entail considerable hardship not only to ship owners as regards the berthing arrangements, customs formalities etc in the port, but also to the consignees of import cargoes for whom it will be very difficult to know about the arrival time of the vessels at this port, especially at present when on account of the circumstances of war, steamers do not send wireless messages to their agents intimating them about the approximate date of arrival The Committee would point out that it takes about 24 to 48 hours for a ship to steam through the Hooghly and if the shipping agents are in possession of the information given in the Gazette they would be able to advise the parties concerned about the arrival of the ship in the port so that any urgent formalities which may be required to be completed may be attended to in due time before the arrival of the steamers.

As regards the plea that the publication of the Gazette involves the Postal Department into considerable loss, the Committee would point out that the annual subscription which is Rs. 180 is not small and the scope for reduction in the expenditure in connection with the Gazette should be carefully examined before it is decided to discontinue publication of the same on that account. Especially at the present time information about the movements of ships etc. is very important to the interests concerned and the Committee of the Chamber trust that your department would not take a step which will place them to unnecessary difficulties and inconvenience.

The Committee hope that the matter would receive your careful consideration.

Misdelivery of letters by Postmen serving Commercial and other Concerns in Calcutta.

Copy of letter No. LHI-584, dated the 28th July, 1939, from the Presidency Postmaster, Calcutta to the Chamber.

I have strong reasons to believe that some of the postmen who serve commercial and other concerns in Calcutta are not too careful in the delivery of letters as numerous complaints have been received by me of misdelivery.

In order to bring the postmen concerned to book for such carelessness I shall require the assistance of all so affected to remedy this evil. I shall be thankful if you will kindly circularise my request to your constituents namely that whenever any of the instances enumerated below occurs to bring the matter to my personal notice as conveniently early as possible especially so where items 1 and 2 are concerned

(1) Any case in which articles not intended for you or your firm are received by you,

(2) When your own mails, or those misdelivered to you, are delivered through hands other than those of postmen,

(3) When you find your postal articles lying on the floor outside your office door.

I am sure you realise that it is not always possible for me for obvious reasons to know what a postman actually does when out on his beat and it is only through your help and good offices that I shall be able to curb their malpractices I shall also be obliged if your constituents will on occasions when articles are misdelivered to them kindly send them to me in a cover by name so as to enable me to take steps in having them delivered to the rightful addresses and obtaining their empty covers for disciplinary action against the postman at fault.

Thanking you in anticipation of your co-operation in the matter.

Use of Lifts by Postmen.

Copy of letter No. P.M.G.10/39-40, dated the 15th September, 1939, from the Postmaster-General, Bengal and Assam Circle to the Bengal Chamber of Commerce, copy forwarded to the Chamber.

I have the honour to invite your attention to a representation from the Telegraph Delivery Peons of the Central Telegraph Office which was forwarded to you with the Chief Superintendent's letter No. E-88, dated 30th June 1939. I would like to thank you—*vide* your letter No. 2703—1939 dated 20th July 1939 to the address of the Chief Superintendent—for the prompt action you took on this representation and

would further request you kindly to circularise the members of your Chamber to extend the privilege of using lifts to Postmen and other Postal delivery agents of the Calcutta G. P. O. and its Town Sub-Offices. In this connection I would like to inform you that this privilege has been graciously and freely given to all Delivery Peons in Bombay by all commercial firms and an appeal to landlords for this concession appeared in the "Times of India" in its issue of the 22nd August 1939 under the caption 'Use of lifts by Postmen'.

For any assistance you can render in this cause will be greatly appreciated.

Letter No. 2218, dated the 18th October, 1939, from the Chamber to the Postmaster-General, Bengal and Assam Circle.

I am directed to invite reference to your Memo. PMG-10/39-40 dated the 15th September, 1939, forwarding a copy of your letter addressed to the Bengal Chamber of Commerce regarding the extension of the facility of using lifts to postmen and other postal delivery agents. So far as the Committee understand such facility is already being extended by members of the Chamber to postmen and other postal agents The attention of the members has however been drawn again to the matter and a suggestion has been made to them to extend the facility to postal agents in case it is not done by any of them.

DIFFICULTIES ABOUT THE TELEPHONE SERVICE IN CALCUTTA.

Letter No. 589, dated the 22nd March, 1939, from the Chamber to the Bengal Telephone Corporation.

I am directed to refer to my letter No 128 dated the 28th January 1939 to which I have not received a reply so far from you. During the course of their above letter and previous correspondence on the subject, the Committee have repeatedly drawn your attention to various difficulties experienced by subscribers as a result of the present "exchange system" obtaining in Calcutta. One of the most frequent complaints is that of connections being cut off in the midst of conversation. To give you a concrete example, Mr Faizulla Gangjee of Messrs Gangjee Sajun & Co. (Telephone No. Cal. 1141) rang up the undersigned yesterday after at about 4-52 and when the conversation was in progress the connection was suddenly cut off. As the call had originated from Mr. Faizulla Gangjee, the undersigned put down the receiver. The numbers were again joined after about two minutes and Mr. Faizulla Gangjee informed me that he was meanwhile told by the exchange that my number was engaged which was not a fact. Such experience is not

very uncommon although it is not possible to record all of them and make complaints to the Telephone Corporation The Committee are strongly of the opinion that in order to avoid all such difficulties, the present system obtaining in Calcutta should be changed to an automatic system as early as possible.

An early reply will oblige.

Copy of letter No. G-126, dated the 23rd March, 1939, from the Bengal Telephone Corporation to the Chamber.

With reference to your letter No. 589 of the 22nd instant, we wish to point out that no reply was sent to your letter No. 128 of the 28th January, 1939, as we considered no useful purpose would be served in continuing the correspondence. The whole question of Telephone Operating and the position regarding conversion to Automatic was very carefully explained at considerable length in our letters Nos. G-606 of 28th October, 1938, and G/S-689 of the 3rd December, 1938

We regret the instance of which you complain and although we are unable to trace this particular call we have a record of a complaint from Calcutta 1141 on the strength of which a free call was allowed when the conversation was re-established

We think that your criticisms could be better met if you had some idea of what happens when a telephone call is put through and we suggest you should pay a visit to Calcutta Exchange, 8, Hare Street.

The undersigned will be very pleased to show you round personally and to explain the whole system of operating and metering.

It may interest you to know that in Bombay where the Telephone system is Automatic the question of wrong numbers is so serious that the Telephone Authorities have addressed a Circular letter to all subscribers asking that great care should be exercised in dialling the number required correctly and in waiting for the dialling tone before commencing to dial. You can well imagine the irritation of being called in error when there is no human operator to blame.

A great asset the subscriber has in a Manual System is that he is not charged for wrong numbers and in all cases where there is any possibility of doubt a free call is given. In the Automatic System no differentiation is made, if a subscriber dials a wrong number his meter automatically records it and consequently he will be charged for it.

TRUNK TELEPHONE CONNECTION AT GIRIDIH AND KODARMA.

Copy of letter No. T. & E./Eng.P.-215, dated the 27th May, 1939, from the Postmaster-General, Bihar and Orissa to the Chamber.

With reference to paragraph 2 of this office letter No. T. & E./Eng. P.-189 dated the 24th January 1939, I have the honour to inform you

that after due consideration of the matter of providing trunk telephone facilities at Kodarma by the opening of a Public Call Office at Jhumri Tilaiya it has been decided to drop the scheme for the present till such time as the proposal for opening a local telephone system at Kodarma materialises.

2. In this connection, I may state that Messrs. Chatturam Horilram Ltd., Mica Merchants of Kodarma have addressed me in connection with providing a local telephone system to serve the surrounding Mica Mines of Kodarma and have expressed their willingness to rent 10 to 15 connections from this exchange.

3. With this limited number of connections only it will perhaps not be a paying proposition for this department to open a local telephone system at Kodarma. I, therefore, request you kindly to let me know if besides the connections promised to be taken by Messrs. Chatturam Horilram Ltd. you can use your influence with other local merchants to rent connections from the proposed exchange so that this department may have at least a minimum number of 25 subscribers to start with.

4. As soon as there is a firm demand from this number of proposed telephone subscribers steps will be taken to open a telephone exchange at Kodarma and in all probability this system will also be provided with trunk facilities with the All-India Trunk Telephone System.

5. I shall be glad to hear further from you in this matter.

Letter No. 1173, dated the 19th June, 1939, from the Chamber to the Postmaster-General, Bihar and Orissa.

Re: Trunk Telephone Facilities at Kodarma.

I am directed to acknowledge with thanks the receipt of your letter No. T. & E/Eng P.-215 dated the 27th May 1939 on the above subject. The Committee are glad to note that efforts are being made to open a local telephone system at Kodarma and that after such a local telephone exchange is opened "this system will also be provided with trunk facilities with the All-India trunk telephone system". The Committee also note that your department has already received promises for a certain number of connections at Kodarma and that the department will be in a position to start the local exchange on receipt of assurances for a certain minimum number of connections. The Chamber has circulated the proposal to its members interested in the matter. I am enclosing herewith for your information copy of a letter* which I have received from one of the members. The Committee trust that the department will continue its efforts and will be able to provide a local telephone exchange with trunk facilities at Kodarma at an early date.

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*Not printed.

Introduction of the principle of Toll Charges by the Bengal Telephone Corporation

Copy of letter No. G-316, dated the 14th/20th September, 1939, from the Bengal Telephone Corporation to the Chamber.

It will be of interest to your Members to know that the Government of India have now authorised this company to introduce the principle of Toll charges to operate over its system. The basis of payment in respect of these charges will be as follows:—Calls between subscribers connected to Exchanges up to ten miles apart will be subject to the existing rates In the case of subscribers connected to Exchanges which are more than ten miles apart, the charge will be one local call plus one anna for every 2½ miles, or part thereof, in excess of ten miles.

At the present time Budge Budge is the only Exchange which is outside the ten mile area from the Calcutta group of Exchanges, *i.e.*, Calcutta, Burra Bazar, South, Park, Howrah and Dum Dum, but the new rule will enable the company to consider the opening of Exchanges to serve other suburban districts in the neighbourhood of Calcutta and Howrah Very few telephones have been installed in these areas up to the present, because they involve the construction of very long and expensive lines, necessitating a subscriber paying a rental which is beyond the means of the average small firm or resident. It is hoped to make a beginning by opening an Exchange to serve the Serampore area. Enquiries have already been sent out and, subject to our being able to obtain the necessary Equipment, this Exchange will be opened at an early date.

It should be pointed out that all calls to or from Exchanges subject to a Toll fee, will be subject to a limit of three minutes, *i.e.*, calls which exceed three minutes will be charged one call for every unit period of three minutes

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Letter No 2181, dated the 17th October, 1939, from the Chamber to the Bengal Telephone Corporation.

I am directed to refer to your letter dated the 20th September 1939, regarding introduction of the principle of toll charges to operate over your system. The Committee note that it is proposed that calls between subscribers connected to exchanges up to ten miles apart should be subject to the existing rates but in the case of subscribers connected to exchanges which are more than ten miles apart, an extra charge of one anna for every two and a half miles or part thereof in excess of ten miles, per each call should be collected.

The Committee are strongly opposed to the proposal and would point out that this would prove very detrimental to the interests of

factories and industrial concerns in and around Calcutta. As you may be aware a number of factories are situated at a distance of 15 to 20 miles from Calcutta with their offices in the business quarters of the City and the latter have constantly to be in touch with the factories over the telephone. If an extra charge as high as one anna for every two and a half miles or part thereof in excess of ten miles is imposed per each call, the Committee feel it will be a great hardship on the public particularly the commercial community. The Committee are also strongly opposed to the further proposal that the period of conversation per each call should be limited to three minutes only as in the case of trunk calls and every period of three minutes only in addition to the first three minutes will be charged as an additional call. The Committee believe that any increase in the charges and other restrictions of time limit etc , will definitely operate to the detriment of industrial establishments situated around the city and they would therefore, urge you to kindly drop the proposals The Committee note the argument that the introduction of the principle of toll charges might result in the opening of new exchanges at long distances but they may point out that the proposals outlined in your letter will at the same time place the existing telephone subscribers to a great disadvantage They do not see any reason why existing subscribers in the Budge-Budge area and other areas to which the proposals may apply, should be put to unnecessary hardship for the sake of a few new connections in Serampore or other areas. The Committee may point out in this connection that both in Bombay and London no extra charge is made for connections to Greater Bombay and Greater London respectively. The Committee therefore strongly oppose the proposals contained in your letter and would request you to drop them.

An early reply is solicited

Copy of letter No. G-402, dated the 23rd October, 1939, from the Bengal Telephone Corporation to the Chamber.

We beg to acknowledge receipt of your letter No. 2181 dated 17th instant, and note your remarks

With regard to the second paragraph of your letter, you would appear to be under a misapprehension. There are very few factories at present provided with a telephone service either by Government or this company at distances of 15 to 20 miles from Calcutta. The reason for this is that the rentals necessary for such connections are extremely high because of the very heavy capital outlay incurred in erecting routes to serve these subscribers. Your Committee are no doubt aware that at present Exchange connections are provided at normal rates up to 4 miles from the nearest Excahnge; beyond this

distance an over radius rental of Rs. 60 per mile per annum is charged and, as we pointed out in our memorandum dated 20th September, many small businesses find such a rental beyond their means. Under the new proposal it will be the policy of this company to open Exchanges in the suburban areas and so make telephones available to these businesses at a rate which will correspond to that paid by subscribers in the Calcutta area proper

With regard to the toll fee, this is fixed at a minimum to cover the capital outlay which will be incurred to provide the long junction routes connecting the small suburban Exchanges. This practice has been universally adopted by telephone administrations all over the world. The main difference is that in Calcutta the "local" area is considerably greater than is generally allowed. In England, for example, the "local" area is limited to 5 miles, and a toll fee is payable in addition to the local fee for all distances in excess of 5 miles We would add that the system and principle of toll fees has been adopted as a standard practice by the Government of India for all Exchanges under their control. That the new proposals are appreciated may be demonstrated by the fact that in the Serampore district we have at present only 5 or 6 lines working. A canvass of the area shows that over 30 business people wish to install telephones on the basis of the new method of charging

With regard to the 3 minutes time limit allowed, this period is more than ample for a normal telephone conversation. It will be within the knowledge of your Committee that this unit has been consistently adopted for Trunk calls, and toll calls are worked on the same principle. This is necessary in order to avoid certain subscribers abusing the service In the case of Budge Budge, for example, we have recently had to take up very strongly the question of delays caused to other subscribers owing to the fact that one or two firms were in the habit of holding up lines for periods extending to over 40 minutes.

With regard to the final paragraph of your letter, as we have already pointed out, your information regarding London is incorrect. Toll fees have been in operation in London for many years, the only difference being that the 'local' area in London is 5 miles against the 10 miles we propose to allow in Calcutta. With regard to Bombay, we believe that the question of rates is under consideration.

The only existing Exchange affected by the new rule is that at Budge Budge. This Exchange, we may say, has for many years been run at a loss. It is not, however, proposed to introduce the toll fee at present for subscribers working on that exchange, but it will be necessary to place the Exchange on a proper basis at an early date. The unit time limit will be brought into use from November 1st, 1939.

Letter No. 2589, dated the 20th December, 1939, from the Chamber to the Bengal Telephone Corporation.

I am directed to invite reference to the correspondence resting with your letter dated the 23rd October, 1939, regarding introduction of toll charges over your system. The Committee note that the number of factories with telephone services situated at a distance of 15 miles from Calcutta is not large. The Committee also note that at present exchange connections are provided at normal rates up to 4 miles from the exchange but beyond this distance an over-radius rental of Rs. 60 per mile per annum is charged and many small business firms find such a rental beyond their means. The Committee learn from your letter that under the new system now introduced, it is expected that telephone facilities will be available to these business firms at a reasonable rate. The Committee would however point out that there is no doubt that the factories situated at a distance of more than ten miles from the exchange whether their number is small or large, will be put to unnecessary burden as they will be required to pay much higher charges for the telephone service than they used to pay. The Committee appreciate that the Budge Budge Exchange which is affected by the new proposals has been excluded for the present from the toll fee but as mentioned in your letter the system is likely to be extended to this exchange sooner or later. The Committee therefore feel it would be desirable if the Corporation find out some system by which the existing factories with telephone connections may not be placed to any unnecessary further burden by way of toll charges but at the same time the Corporation may also be able to extend telephone facilities to smaller firms situated in those areas. The Committee need hardly point out the importance of the question to the factories who have to be always in close touch with their head offices in Calcutta and they would be glad therefore if the Corporation carefully consider this question in the light of the suggestion made above.

Contract for Conveyance of Mails between B. I. S. N. Co., Ltd. and the Government of India.

Copy of letter No. Mails-20/39-Coll.-3, dated 14th September, 1939, from the Director-General, Posts and Telegraphs, to the Government of Bengal, (copy forwarded to the Chamber).

Subject: Revised contract with the B. I. S. N. Co. for the conveyance of Mails.

I am directed to refer to the letter from the Department of Industries and Labour No. 96/PT/111, dated the 14th August 1924 and to forward 30 copies of the revised contract which has recently been con-

cluded with the British India Steam Navigation Company for the conveyance of mails.

Letter No. 2441, dated the 2nd December, 1939, from the Chamber to the Director-General, Posts & Telegraphs.

I have to acknowledge your letter No. Mails-20/39-Coll -3 of the 14th September, 1939, forwarding a copy of the Agreement between the British India Steam Navigation Co , Ltd., and the Governor-General-in-Council regarding the carriage of mails as specified in the contract. The Committee have no observations to make except to state that in their view, the Government of India should not have entered into a contract for such a long period. The Committee have to draw your attention, in this connection, to a resolution passed by the Committee of Federation of Indian Chambers of Commerce and Industry in June 1938 in which they represented to the Government of India to enter into short term contracts in respect of the carriage of these mails with a view to enable Indian shipping to offer for participating in the carriage of such mails in the future. It is obvious that as Indian shipping companies expand and develop, they will be progressively in a better position to tender for the carriage of mails than at present Moreover, the Tripartite Agreement of the coastal shipping companies in India is to terminate at the end of this year, after which it might have been possible for Indian shipping companies to offer for the carriage of mails on the routes in question. The Government were aware of the fact that this Agreement precluded Indian shipping concerns from tendering for the contract and that it was going to terminate at the end of 1939. Moreover, other Indian companies might also be started in the near future. When the contract for the carriage of mails between the Government and the British India Steam Navigation Co , Ltd , expired in June 1934, it was not renewed for a period of 5 to 10 years, but for a short period from time to time. It would have been, therefore, preferable if their present contract had been etxended for a shorter period so as to make it possible for Indian shipping to tender for the carriage of these mails in future. The renewal of the contract for a long term, will have the effect of preventing Indian shipping from carrying the Indian mails in the near future.

The Committee will be obliged if these views are conveyed to the Government of India.

Copy of letter No. Mails-20/39-Coll -3, dated the 15th December, 1939, from the Director-General, Posts and Telegraphs to the Chamber.

SUBJECT: Contract between the British India Steam Navigation Co, Ltd and the Governor-General-in-Council for the carriage of mails

I am directed to acknowledge the receipt of your letter No 2441, dated the 2nd December, 1939, on the subject noted above.

FINANCE.

BUDGET PROPOSALS OF THE GOVERNMENT OF INDIA FOR THE YEAR 1939-40.

Letter No. 420, dated the 1st March, 1939, from the Chamber to the Government of India, Finance Department.

I am directed by the Committee of the Indian Chamber of Commerce, Calcutta, to address you in connection with the budget proposals presented by the Hon'ble the Finance Member to the Central Legislative Assembly on the 28th February, 1939.

The Committee have to point out that the budget estimates for 1939-40 which show a deficit of Rs 50 lakhs do not accurately disclose the financial position. Unless the Finance Member proposes to reduce the existing protective duty of Rs. 9/4/- per cwt., on sugar, when he presents the Sugar Production Bill to the Assembly during the current month his estimate of a total revenue from both excise and customs duties on sugar, of about Rs. 4,20 lakhs during the year 1939-40, appears to be an undue under-estimate. The present rate of excise duty on factory sugar is Rs. 2 per cwt, and the amount already realised under this head during the ten months of the current financial year is about Rs 3,19 lakhs, the budget estimate being Rs 3,59 lakhs Even if the issue of sugar from factories during the year 1939-40 shows a fall due to shortage of production in India, the revenue from excise is not expected to fall below Rs. 2½ crores, in any case, at the present level of excise duty On the other hand, it is estimated that during the next twelve months, the imports of foreign sugar may reach a figure of about 1½ to 2 lakh tons. Taking even the minimum estimate of imports of 1½ lakh tons, revenue from this source would amount to another Rs. 2,80 lakhs on the basis of the present rate of duty. With an additional increase in receipts from Khandsari excise as anticipated by the Hon'ble the Finance Member, his estimate of a total revenue from sugar is lower by more than a crore of rupees The Committee are, therefore, of opinion that, strictly speaking, there is no deficit of Rs 50 lakhs to be provided for and the revised estimates for the year 1939-40 might, in fact, show a surplus, if other factors do not inter-

vene. Under the circumstances, the Committee consider that it is not necessary to levy any additional taxation but measures can, in fact, be adopted subsequently, to give relief to the taxpayer which is overdue.

Before passing on to a consideration of the new proposal of taxation as well as the modification in the system of assessment of income-tax and super-tax, the Committee would observe that the increase of defence expenditure of Rs. 1 crore in the 1938-39 estimates, has been mainly due to an item of Rs 1,15 lakhs incurred for improving conditions of service for British military personnel consequent on decisions taken by His Majesty's Government The Committee have to point out that this increase has been due to certain measures adopted by the British War Office in connection with the re-organisation of Imperial defence services and is, in no way, connected with India's national defence. The Committee believe that the Government of India including the Finance Member, who energetically protested against such a course, have been over-ridden by His Majesty's Government. This expenditure, therefore, is in pursuance of the defence policy and programme of the British Government and the Committee regret that it should be imposed on India whose people are denied any participation in the scheme of national defence

As regards the proposal to increase the import duty on raw cotton, the Committee recognise that this duty might tend to encourage the growth of long-staple cotton in India although such benefit to the agriculturist or to the Indian mills would accrue only after some time. The Committee feel, however, that when the Indo-British Trade Negotiations are still going on and the whole question of export of cotton to the United Kingdom as against the imports of cotton piece-goods from that country is under discussion, the levy of such a duty is extremely inopportune and inadvisable In view of the fact that the question of cotton appears to be the principal difficulty in the Indo-British Trade Negotiations and a deadlock has been reached more than once in that respect, the proposal to increase the duty on import of cotton seems to forestall the outcome of the Trade Talks and to provide against the possibility of a breakdown in the negotiations. The immediate effect of the duty would, no doubt, be to benefit indirectly Lancashire textile industry inasmuch as most of the imports of cotton are of the long staple variety required for producing piece-goods of finer count in which category Lancashire is competing with the Indian textile industry.

The most important part of the budget from the point of view of the general tax-payer and particularly the mercantile community is, however, the change which the Hon'ble the Finance Member has introduced in the method of assessment of income-tax and super-tax. Where-

as undivided Hindu families wanted redress of their grievances and the Income-tax Enquiry Committee also recommended some concession in favour of such families having more than one adult married male member, the Committee regret that even this concession is proposed to be withdrawn as also existing exemption of undivided Hindu families from payment of super-tax up to Rs. 75,000 under the present law Thus, undivided Hindu families will be hit very hard by being made to pay both income-tax and super-tax at higher rates on aggregate income. The Committee are strongly of opinion that the least which should be done is to accept the recommendation of the Income-tax Enquiry Committee as regards the doubling of each 'slab' of income and to increase the limit of exemption from super-tax up to at least Rs 1,00,000 in view of the aggregation of income

Having regard to the fact that the highest rate of income-tax will be reached just after the income of an assessee goes beyond Rs 15,000 per annum the scale of super-tax should be made more gradual and the least that can be done is to alter the second, third and fourth slabs in appendix 2 of the Income-tax Enquiry Report of 1936 from 10, 20 and 70 thousands to 25, 50 and 75 thousands respectively The rate of super-tax is also excessive resulting in the Government taking away the major portion of the profits of an assessee after a certain stage in the shape of income-tax and super-tax The Committee strongly urge that the rate of super-tax, should not, in any case, exceed 3 annas in the rupee for, even at that rate, the total taxes on income would amount to about 1/3rd of the highest incomes Such taxation should not be higher than those except on very emergent occasions The Committee would also point out in this connection that provincial taxation is also on the increase and hence the total burden on the tax-payer is already considerable.

The removal of exemption of companies from assessment to super-tax up to Rs 50,000 would also be very harmful to concerns having small profits and particularly to the growth of new joint stock enterprise This taxation becomes still more inequitable in view of the fact that shareholders will also have to pay super-tax on the same income, for a second time and as the Income-tax Act has already been amended to increase the number of assessees as also to join together incomes and to tax on accrual basis, it is not desirable to increase the incidence of tax further. The Committee, therefore strongly oppose the increase in the incidence of income-tax and super-tax as a result of the change in the system of assessment

U. P. Employments Tax Bill.

Letter No. 549, dated the 16th March, 1939, from the Chamber to the Government of the United Provinces, Finance Department

The attention of the Committee of this Chamber has been drawn to the U. P. Employment Tax Bill which your Government propose to enact with a view to tax "Employment". The Committee find that the Government have also included "Directors, Managing Agents, Selling Agents and Purchasing Agents of a Company" under the category of "employees of a company".

The Committee have no desire to discuss the legality of the step taken by the Government of U P. in proposing to impose a graduated tax on the incomes of individuals in addition to the Income-tax and Super-tax already levied by the Central Government That is a matter for Constitutional lawyers to decide But the Committee are emphatically of the opinion that the inclusion of "Directors, Managing, Selling and Purchasing Agents, etc" within the definition of an "employee" and thereby making them liable to payment of employment tax would seriously hamper business activities in the province and consequently its economic prosperity. "Employment" has been defined in the Bill to include "service of any kind to the Crown, Local authorities, or to any person, whether whole-time or part-time, for a salary" and although the Committee note that the Government of U P have tried to widen the scope of the ordinary meaning of the terms "Employments" and "Employees" for the purposes of the Bill, it is hardly necessary to emphasise that the inclusion of "Directors, Managing Agents, etc." in the category of "employees" is giving a far-fetching meaning to the term "Employment". As you are aware, trade and commerce are already burdened with heavy taxes, both Central and Provincial, apart from the local taxes, and the imposition of this further heavy taxation on Managing Agents, Selling Agents, etc. would no doubt prove a further handicap to the growth of business As you are aware, the rate of Income-tax, and particularly of super-tax, has been considerably increased recently, except in the case of small incomes, as a result of the adoption of the new rates by the Central Government On the other hand, the Provincial Government has also increased the burden of direct and indirect taxation on the business community.

You will no doubt appreciate that if this uncoordinated policy of increase in taxation by the Central and Provincial Governments continues without "mutual forbearance", as pointed out by the Hon'ble the Chief Justice of the Federal Court recently, the consequences may be ruinous. After all, the burden of all these taxes, whether Central, Provincial or Local, falls on the same set of persons and as a result,

trade and commerce, and with it the whole economic structure, is bound to suffer seriously if this burden continues to increase.

While Committee therefore are strongly opposed to the inclusion of Directors, Managing Agents, Selling Agents, etc. within the definition of the term "Employee" and the inclusion of fees, commissions, etc. in the definition of "salary", the Committee also would like to invite the attention of the Government to the fact that it is not clear from the published reports regarding the proposed Bill whether the Employment Tax is to be levied on income after deducting expenses incurred in connection therewith or on the gross amount As you are no doubt aware, "business expenses" are allowed even in the assessment of Income-tax and the Committee are strongly of opinion that such a provision should in any case be included in the proposed Bill.

Carry forward of unabsorbed depreciation under the amended Income-tax Act

Letter No. 173, dated the 4th February, 1939, from the Chamber to the Government of India, Finance Department

I am directed to invite your attention to the question of allowance of unabsorbed depreciation under the Income-tax Bill The Committee would point out that according to the provisions of the Income-tax (Amendment) Bill depreciation unabsorbed at the time of the change of the law was to be carried forward without time limit until it was absorbed but was to be deducted from, that is to say allowed against, profits before any further allowance for depreciation was to be made in a particular year subsequent to the change of the law The Select Committee on the Income-tax Bill have effected certain modifications in the original amendment and provided that depreciation which is unabsorbed at the time when the law is changed shall not be deducted from the original cost of the plant or machinery etc in arriving at the written down value. The relevant amendment adds the words "not being a year which ended prior to the first day of April 1939" to the words "in any year" in clause (*b*) of the proviso to Section 10(2)(*vi*) of the Income tax Act which provides *inter alia* that 'where full effect cannot be given to any such allowance in any year owing to there being no part of it or gains chargeable for that year, the allowance or profit to which effect has not been given shall be added to the amount of allowance for depreciation for the following year and deemed to be part of that allowance'. The Committee would, however, point out that the position has not sufficiently been made clear by the amendment. The Committee believe that it must be the accounting year 1938-39 and not the assessment year for which unabsorbed depreciation should be

allowed *i e.* the profits for 1938-39 accounting year should, to the extent necessary, be allowed to be utilised against unabsorbed depreciation up to the 31st March 1938 accounting year plus the depreciation for their accounting year 1938-39 The Committee further understand that the old system would continue until the new rates of depreciation be settled in consultation with the various industries concerned

As the point mentioned above has not been made clear in the amendments, the Committee would request that the Government of India should take the necessary steps to make the position clear as stated above.

Copy of letter No D A Dis No 31(3)-I T /39, dated the 30th March, 1939, from the Central Board of Revenue to the Chamber.

Re. Indian Income-tax (Amendment) Act, 1939—Section 10(2)(*vi*) as amended—Unabsorbed depreciation—Carry forward of

In continuation of Board's letter C No 31(3)-T I./39 dated the 3rd March, 1939 I am directed to say that the year referred to in clause (*b*) of the proviso Section 10(2)(*vi*) is the assessment year and that the new provisions will come into force only for 1940-41 and subsequent assessments. If full effect cannot be given to the depreciation allowance due in the 1938-39 assessment it can (under the old law) be deducted from the assessment for 1939-40 because the new law is not to come into force until 1st April, 1940. If full effect cannot be given to the allowance due in 1939-40 assessment it will be available to be deducted from 1940-41 assessment. Any allowance due in 1938-39 assessment or earlier assessment which was not fully allowed in assessments up to and including 1939-40 assessment owing to insufficiency of profits will not be deducted from the cost to arrive at the written down value in computing the allowance for 1940-41.

Letter No. 761, dated the 24th April, 1939, from the Chamber to the Central Board of Revenue

Indian Income-tax (Amendment) Act, 1939—Section 10(2)(*vi*) as amended—Unabsorbed depreciation—Carry forward of.

I am directed to acknowledge receipt of your letter No. D.A. Dis.-31(3)-I.T./39 dated the 30th March, 1939, on the above subject. The Committee have noted the position with regard to the carry forward of unabsorbed depreciation with thanks I am, however, to request you to kindly issue the necessary instructions to the executive staff to acquaint them with the position as stated in your letter in order to avoid any misunderstanding.

Thanking you.

Rates of Depreciation under the amended Income-tax Law.

Letter No. 1232, dated the 26th June, 1939, from the Chamber to the Central Board of Revenue.

I am directed by the Committee of the Indian Chamber of Commerce, Calcutta, to invite your attention to the question of determination of the rates of depreciation under the new Income-tax Act. As your Board may be aware, Sir James Grigg, the then Finance Member had at the Select Committee stage of the Bill given assurance on behalf of the Government that the new rates consequent on the change from the "cost basis" to the "written down basis" would be discussed with the interests concerned before they were fixed and that the new provision would not be brought into operation until rates had been so fixed The Committee understand that the Federation of Indian Chambers of Commerce and Industry had recently addressed your Board in the matter and were informed in reply that the interests concerned would be given reasonable time to consider the rates. The Committee would however point out that in the case of amendments in the Income-tax Rules the usual practice followed by your Board has been to notify the modification in the *Gazette of India* and to invite suggestions and objections to the same within a short time. The Committee feel that such a procedure would not prove very satisfactory in the case of determination of the rates of depreciation which in their opinion should be thoroughly discussed by the various interests concerned in view of the fact that the rates once fixed will not be altered soon The Committee believe that a conference of all various industrial interests should be called to discuss the new depreciation rates as also certain other changes brought about under the new Act in respect of depreciation and they would therefore request your Board early to convene such a conference in August or September next. The Committee need hardly stress the importance of the matter and they trust your Board would find the suggestions made above acceptable.

Copy of letter No. R Dis No. 27(6)-I.T./39, dated the 6th July, 1939, from the Central Board of Revenue to the Federation of Indian Chambers of Commerce and Industry (copy to the Chamber).

Re: Income-tax Amendment Act—Depreciation allowance—rates of—consultation with commercial bodies.

In reply to your letter No. F-987 dated the 6th June, 1939 on the above subject, I am directed to say that the decision conveyed in my letter C. No. 27(6)-I T./39 dated the 15th February 1939 had reference to the suggestion made in your letter No. F-276 dated the 9th February, 1939 that sufficient time should be given to the interests concerned to

consider the proposals of the Central Board of Revenue, in respect of the rates of depreciation allowance The Board has considered the suggestion made in your letter under reply, and has come to the conclusion that as the rates of depreciation have to be fixed after a detailed consideration of the facts relevant to each separate class of assets, and as the number of classes is large, an all-India Conference to be held before any rates have been proposed by the Board would serve no useful purpose. The present intention, therefore, is to publish the rates proposed by the Central Board of Revenue for general consideration and for comments within a period of not less than two months. If, after considering the written comments on the proposed rates, it appears that oral discussion on particular rates would serve a useful purpose before the rates, as modified in the light of the written comments, are published in the form of a Rule under the Income-tax Act, an opportunity will be given to the interests concerned for such discussion, either at important centres such as Bombay and Calcutta or at an All-India Conference It is considered that the adoption of such a course would be in the best interests of all parties concerned and would fully implement the undertaking given by Sir James Grigg

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Copy of letter No. 27(15)-I.T./39, dated the 4th August, 1939, from the Central Board of Revenue to the Chamber.

Re: Income-tax Amendment Act—Depreciation allowance—Rates of—Proposals regarding.

I am directed to invite your special attention to Board's Resolution No. 63-Income-tax, dated the 5th August, 1939 (published in the *Gazette of India* of the same date) with which have been published the Central Board of Revenue's proposals regarding revised rates of depreciation allowance.

Letter No. 2204, dated the 17th October, 1939, from the Chamber to the Central Board of Revenue.

I am directed to invite reference to your letter C. No. 27(15)-I.T./39 dated the 4th August 1939 inviting attention of the Chamber to your Board's Resolution No. 63 Income-tax dated the 5th August 1939 regarding revised rates of depreciation allowance. The Committee have considered the proposed rates and have to submit the following remarks thereon.

The Committee would point out that the main principle to be kept in view while granting the depreciation allowance is to enable the owner

of an asset to set aside an amount corresponding to the diminution in the value of that asset and sufficient to replace it when its useful economic life is over It will be obvious therefore that the fixing of the rates for this purpose is entirely governed by what constitutes the useful economic life of an asset

The Committee would like to mention here that up to the year 1918 there was no clear recognition of this principle in India and not only did disparity prevail in the allowance granted in different provinces but there was also an absence of uniform basis for the grant of this allowance. A letter addressed by the Government of India to various Provincial Governments in February 1918 stated that it was the intention of the Government of India to permit the allocation from profits without income-tax liability of sums sufficient in the aggregate for eventual renewal and that the Government of India were inclined to favour the adoption in India, as the more simple method, of a calculation based on primitive cost, under which the total depreciation allowance will be distributed equally over a series of years taken as representing the ordinary life of the building, machinery or plant.

In accordance with this the Government of India fixed in 1919 certain rates after taking into consideration all factors relating to the estimated useful life of an asset The Committee of the Chamber however are surprised to learn from the Resolution under reply that from time to time it has been brought to the notice of your Board that many of the rates were generally excessive. The Committee are not aware if any representative industrial organisation ever made such representation and if the same was made by any department of the Government of India, the Committee would point out that it could not have proceeded on any direct knowledge of the various factors involved in estimating the useful economic life of an industrial asset.

The Committee would mention here that when the question of changing the basis from Prime cost to written down value was discussed for the first time by the Income-tax Inquiry Committee and when a provision was made in the Income-tax Amendment Bill for the latter there was a protest from industrial interests all around the country against such a change. The Committee would like to draw attention of your Board to the fact that the representatives of the industrial interests who were present in Delhi when the Bill was discussed by the Select Committee and whose views were invited by some members of the Select Committee, definitely understood that the new rates would be fixed in consultation with the interests concerned and that they would be on a much higher percentage basis than the existing rates.

The Committee however find that in the new rates now proposed in a number of cases the rates are either reduced or kept at the same

level as before instead of being raised. Out of about 100 items for which rates are given in the Schedule, the position is as under—

1. In the case of 8 items the old rates are reduced.

2 In the case of 9 items they are increased.

3. In the case of 2 items no depreciation is allowed and only renewals would be allowed as revenue expenditure.

4 In the case of the remaining 81 items the old rates are maintained under the new scheme. The Committee therefore are of opinion that in proposing the new schedule your Board has completely ignored the principle accepted till now on which the present rates were fixed in 1919. The Committee need hardly mention that the rates fixed by the Government 20 years before were based on careful consideration of the expected economic life of the various assets enumerated in the schedule and such new factors as have arisen during this period only go to prove that the useful life of certain assets is even less than what was envisaged in 1919

The Committee would further refer to the statement made in your Resolution on the subject that the rates now proposed follow to a large extent the rates prescribed for similar assets in the United Kingdom where the written down value basis is in operation for almost all classes of assets. The Committee would however point out that the assumption that because the written down value basis is in operation in the United Kingdom, it would be fair to prescribe the same rates for similar assets in India, is entirely fallacious. The Committee believe that a number of other factors have to be taken into consideration before ascertaining the useful economic life of an asset—factors such as the technical skill of the workers in handling the plant and machinery, the intensity of operation of an asset, the nature of the raw materials used, the climatic conditions and the actual experience over a long period of the industrialists concerned regarding the use of a particular asset. The Committee would mention that in the existing schedule the Central Board of Revenue have conceded in the case of rates for depreciation of buildings that double these rates will be allowed for buildings used in Industry which cause special deterioration such as the Chemical Works, Soap and Candle Works, Paper Mills and tanneries. Similarly rates of depreciation of machinery used in various industries vary according to the nature of the industry. Conditions in the two countries are greatly different and it would therefore be unreasonable according to the Committee of this Chamber to contend that the useful life of an asset used in India would be the same as in the United Kingdom.

The Committee would also mention here that in the Official Schedule of Wear and Tear allowance issued by the Inland Board of Revenue in the United Kingdom it is stated that "the rates in the

following schedule which are subject to the approval of the commissioners concerned have been agreed upon by the Board of Inland Revenue and an association or associations representing the users of the plant or machinery''. The Committee would emphasise that the Central Board of Revenue should also aim at securing the agreement of industrial interests.

The Committee would also draw the attention of your Board to the fact that while relying upon the Board of Inland Revenue for support of the proposed rates due note has not been taken of certain other facilities granted in the United Kingdom. An addition of 10 per cent. was conceded on all rates by section 18 of the Finance Act, 1932 which was further increased to 20 per cent. by section 22 of the Finance Act, 1938 Furthermore the Board of Inland Revenue considered the cases of certain industries wherein the plant and machinery is utilised over and above the period by reference to which the estimated life of an asset is computed and allowed an increase of 50 per cent. over the scheduled rates in respect of the plant and machinery working treble shift or double shift plus over time. There is also a general rule now giving discretion to the Board of Inland Revenue to consider such cases. In India, the Committee would point out industrial interests have been pressing since 1930 for special considerations of plant machinery used particularly in the Cotton Textile Industry for double or treble shifts but the Central Board of Revenue did not give any relief on the plea that a similar practice did not prevail in the United Kingdom. The Committee would further suggest that in revising the rates finally provision should be made as in the United Kingdom Schedule for a greater depreciation allowance in respect of plant and machinery when used for more than its normal period.

The Committee have calculated the effect of the proposed rates on the assets used in the various industries and they have found that these rates if finally adpoted by the Government would very prejudicially affect the industrial development of the country. According to these rates it would take 154 years for a first class building to write off 90 per cent. of its value while it would take the machinery, plant or furniture 45 years in order to cover 90 per cent. of its value. Such rates appear to be fixed upon no sound basis and are calculated to defeat the underlying object of permitting depreciation allowance.

The Committee would invite attention to the statement attached herewith* showing the rates which according to them should be applied to different classes of assets on the written down value basis. These rates have been based on experience gained in the last 20 years and have been arrived at after consulting the various interests concerned and the Committee feel that the percentages are quite reasonable and necessary.

*Not printed.

The Committee would also draw attention to the wording of proviso (*b*) of sub-clause (VI) of section 10 which is not very clear and is likely to be interpreted in different ways by different Income-tax Authorities. The Committee would therefore suggest that it should be made clear that in carrying forward of losses for a period of 6 years, the losses arising out of business, profession or vocation will be set off in the first instance against the profits of the subsequent years. The depreciation allowance which remains unabsorbed should be allowed to be carried forward till the losses have been so set off. Unless this is done, the benefit of carrying forward losses would be denied to the assessees who have also got unabsorbed depreciation allowances. This result follows from the fact that losses are allowed to be carried forward only for a definite period As the intention of the Legislature and the Government is to allow both types of relief to assessees, the Committee trust this suggestion will be accepted by the Government in the rules to be embodied in the Manual.

The Committee would also invite attention of your Board to the special circumstances of the shipping industry and the tramway companies. The Committee find that in the United Kingdom written down value basis is not applicable to the shipping industry and the tramways and depreciation allowance is calculated at a certain fixed percentage on the original cost basis. The Committee would therefore recommend that in the case of shipping industry and tramways in India depreciation allowance should be similarly allowed to be calcuated at the percentage fixed at present on the original cost basis

The Committee trust the suggestions made above will receive careful consideration of your Board.

Press note dated December 6, 1939, issued by the Central Board of Revenue.

Income-tax Depreciation Rates: General Discussions in New Delhi.

The Central Board of Revenue, New Delhi, proposes to hold between January 15 and 31, 1940 a series of discussions with representatives of Chambers of Commerce, Trade Associations and other interested organisations, on the income-tax depreciation rates a tentative schedule for which had lately been published in the *Gazette of India* for general consideration. Various suggestions and criticisms have been received and considered. The Board is of opinion that oral discussion of particular rates with the interests concerned may be useful and these discussions are accordingly being arranged.

Chambers of Commerce, Trade Associations and other organisations wishing to send representatives to these discussions are required to send

intimation to the Board on or before December 30, 1939. As soon as these intimations are received, each body will be notified of the date and time fixed for discussion.

Letter No 2601, dated the 27th December, 1939, from the Chamber to the Central Board of Revenue.

I am directed to invite reference to your circular letter No. 27(19)-I.T /39 dated the 6th December, 1939 regarding the oral discussion that your Board proposes to have with representatives of Chambers of Commerce, Trade Associations and other interested organisations on the subject of Income-tax Depreciation Rates I have to point out in this connection that early in October, a Conference of various industrial interests of the country was held in Calcutta at the premises of this Chamber, and a small representative committee was appointed thereat to examine the proposals of the Government as also the suggestions made by various industrial interests on the subject. Subsequently, the recommendations of this sub-committee in the matter were supported by all the industrial interests concerned. The Committee of this Chamber therefore feel that it would be advisable if the Special Sub-Committee appointed at the Calcutta Conference represents this Chamber at the discussion proposed by your Board. I am giving below the names of the members of the Special Sub-Committee, for your information:—

1 Sir H. P. Mody, KBE (*Chairman*).
2. Dewan Bahadur C. S Ratnasabapathi Mudaliar.
3. Mr. D. P. Khaitan.
4 Mr J. H. Richardson.
5 Mr. Kasturbhai Lalbhai.
6. Mr G. B Morton.
7. Lala Shri Ram.
8. Mr. H. Glover.
9. Mr. W. J. Younie, and
10. Sir Adamjee Hajee Dawood.

The Committee of this Chamber are writing to the Special Sub-Committee to co-opt Mr. M. A. Master also in order that shipping interests may be properly represented Mr. Master's name should also therefore be included among the persons representing this Chamber.

Recognition of the Automobile Club of Upper India by the Calcutta Accident Insurance Association.

Letter No. 2056, dated the 28th September, 1939, from the Chamber to the Calcutta Accident Insurance Association.

The Committee of this Chamber have been approached by the Automobile Club of Upper India, regarding the question of recognition of the Club by your Association. The Committee find that an Association called Northern India Automobile Association had been functioning in the Punjab, but on account of certain reasons, into the nature of which the Committee need not enter here, several Indian and European members left the Association and a new Association has been formed under the title of the Automobile Club of Upper India. The Committee are further informed that when the Club was started, your Association had expressed its sympathy with them and also promised them recognition. Recently however, your Association, it is stated, wrote to the Club regretting your inability to recognise the Club under the plea that such a measure would involve your members into further sacrifice. The Committee of the Chamber are not exactly aware of the nature of sacrifice referred to by you, but they feel that in view of the unsatisfactory condition of the affairs of the Northern India Automobile Association, partly due to which your Association has discontinued recognition of the same, as also in view of the influential support the Automobile Club has been able to secure from the Punjab, it would be very helpful not only to the members of the Club, but also to the members of your Association, if recognition is granted to the Club. The Committee understand that even the Punjab Motor Dealers Association have joined the Automobile Club and have promised them full co-operation and support.

The Committee would further point out that recognition to the Club may be granted even on fulfilment of certain conditions. It may be granted for a period of two to three years in the first instance or after a minimum membership of 200 or 250 has been obtained. The Committee need hardly point out that if an authoritative recognised Club is functioning in that locality, matters of dispute between the Insurance companies and the insured may be referred to a sort of an arbitration by the Club, having representatives of both dealer garages and insurance companies on the same. The Committee may also mention that if the Club maintains its garage, the estimates for repairs would naturally be lower than obtainable in the market and the insurance companies will stand to benefit largely in this respect. Even an understanding between the club and your Association may be arrived at in this connection.

In view of the above the Committee feel that it will be very helpful both to the motorist public and the insurance companies to have a recognised body in the Punjab and they would be glad if your Association gives careful consideration to the matter and grants recognition to the Automobile Club of Upper India.

Question of acceptance of Indian Insurance Policies by the Exchange Banks.

Letter No. 1947, dated the 19th September, 1939, from the Chamber to the Government of India, Department of Commerce.

The attention of the Committee of this Chamber has been drawn to the fact that buyers of cotton and wheat and certain other commodities at London and Liverpool make a stipulation in their letters of credit that insurance will be effected only with an all British Insurance Company. The Committee understand that as a result of such a stipulation the Exchange Banks in India accept documents only if the goods mentioned therein are covered by a British Insurance Company The Committee would further point out that such stipulations are often made even for fire and other kinds of insurances, and a large amount of insurance business is thus lost to indigenous companies and passed on to foreign concerns.

The Committee would like to state here that the Indian Insurance Act as recently amended imposes strict conditions on Indian insurers. It is therefore all the more unfair that Indian companies should be subject to further restrictions by the Banks in the manner mentioned above. The Committee believe that sound Insurance concerns established in the country are now operating in the field and the Banks should have no objection to accept documents covered by these companies.

The Committee understand that some years back a similar restriction was also in force against insurance effected with Dominion Insurance Companies but as the Governments of those dominions took up the matter with the Home Authorities, the restriction was removed and now Insurance policies issued by any insurance company registered in the dominions are accepted by the Banks.

The Committee would therefore request the Government of India to represent the matter through the High Commissioner for India to the Authorities concerned as also the Exchange Banks Association and the London and Liverpool Cattle Food Trade Associations with a view to remove such restrictions operating against Indian insurers. The Committee would be glad to know what steps the Government of India propose to take in the matter.

Letter No. 2485, dated the 6th December, 1939, from the Chamber to the Reserve Bank of India, Calcutta

I am directed by the Committee of the Indian Chamber of Commerce, Calcutta to invite your attention to the difficulties experienced by Indian Insurance Companies in connection with the acceptance by banks of the policies issued by them The Committee understand that several banks who are themselves agents of various insurance companies refuse to accept the policies of Indian Insurance Companies selected by their customers. The Committee further learn that though the Indian Insurance Company may be quite a sound and respectable one, the banks or their managers being directly or indirectly interested as agents or otherwise in certain other insurance companies, refuse to accept the policies of that company and the party is often required to get the existing policy cancelled and have it reissued by the company favoured by the bank. The Committee of the Chamber have received several complaints in this connection that when plants, machinery and stocks of considerable amount are hypothecated with banks and if owners of the goods happen to get their insurance effected through a company which is not favoured by the bank, he is compelled to cancel the existing insurance policy and get the goods reinsured with the company suggested by the bank

While the Committee of the Chamber appreciate that the question of financial stability and reinsurance arrangements of the insurance company should not be ignored by the banks, they feel that even such examination loses much of its importance in view of the compulsory deposits which the insurance companies are required to make with the Government of India under the new Insurance Law Moreover, when these conditions are observed and the policies of an insurance company are accepted by other banks there is no reason why certain banks should refuse to accept the same even though selected by their customer. The Committee need hardly mention that the function of a bank should mainly be in regard to deposits and loans and the power that a bank enjoys in relation to a borrower should not be utilised by the management of the bank in a manner which places indigenous insurance companies to a handicap in relation to those companies favoured by the Bank. The practice of banks and bank managers becoming agents of insurance companies, the Committee believe, thus results in a definite setback to the growth of insurance in the country. In view of the difficult position in which Indian Insurance Companies find themselves due to this practice and the importance of the question from the viewpoint of the progress of insurance in the country, the Committee would suggest that the Reserve Bank should as soon as possible circularise the various banks in the country deprecating the practice wherever

prevent The Committee also understand that the Reserve Bank are submitting to the Government of India, a Draft Bill for enacting banking legislation and they would suggest that a definite provision should be incorporated in this Bill prohibiting banks or managers of banks from becoming agents of any insurance company Such a provision, the Committee believe, would prove greatly helpful to the growth of insurance in the country by removing the handicap to which Insurance Companies are placed due to this practice prevalent at present. The Committee would be glad to know as to what steps the Reserve Bank proposes to take in the matter

An early reply will oblige.

DISCRIMINATION MADE AGAINST THE INDIAN INSURANCE COMPANIES IN THE MATTER OF FIDELITY AND GUARANTEE BONDS FOR POSTAL TRANSIT.

Letter No. 2572, dated the 14th December, 1939, from the Chamber to the Chief Censor to the Government of India

The Committee of this Chamber are given to understand that the Government of India requires consignors despatching goods to neutral countries through the Post office, to obtain from you certain permits The Committee also learn that fidelity bonds have to be obtained from any Insurance Company in connection with such permits The Committee would be glad if you will kindly enlighten them about further details in the matter and also let them have copies of the instructions issued by you, if any, in this connection.

An early reply will oblige

PAID EXECUTIVE FOR THE CALCUTTA FIRE INSURANCE ASSOCIATION

Letter No 2427, dated the 29th November, 1939, from the Chamber to the Calcutta Fire Insurance Association

The Committee of this Chamber understand that your Association has been considering the question of appointing a paid executive for the three non-life insurance associations and that suggestions have been invited from your members in the matter Apart from the question whether or not a paid executive should be appointed for these associations, the Committee feel that in case it is decided to appoint such an executive, it would go a long way in assuring the Indian industrial concerns and the Indian non-life offices about the policy of the three associations if a suitably qualified Indian is appointed to this post. The Committee need hardly mention that the policy of Indianisation has been accepted and pursued by the Government of India and other public bodies in the country and they trust your Association would also now consider the possibility of introducing the same.

Copy of letter No 5117-F., dated the 6th December, 1939, from the Calcutta Fire Insurance Association to the Chamber.

Paid Executive.

I am directed to acknowledge, with thanks, the receipt of your letter No. 2427 dated the 29th November on the subject of the appointment of a Paid Executive for the three Non-Life Insurance Associations.

2. The matter is at present being considered by a Special Committee and your letter is therefore being passed on to the Special Committee for them to deal with.

War Risk Insurance on Land

Letters Nos. 2210 and 2211, dated the 18th October 1939, from the Chamber to the Calcutta Fire and Accident Insurance Associations.

The attention of the Committee of this Chamber has been drawn to the necessity of providing adequate cover against war risk insurance on land on account of the growing uncertainty due to international situation. The Committee understand that no provision is made at present in the insurance policies for such risk and there is a great demand at present that a scheme should be evolved to provide adequate cover against war risk on land. The Committee would be glad therefore to be enlightened as to the measures your Association proposes to take in the matter.

An early reply will oblige.

Copy of letter No. 4542-F , dated the 3rd November, 1939, from the Calcutta Fire Insurance Association to the Chamber.

War Risk Insurance on Land

I am directed to acknowledge the receipt of your letter No. 2210 dated the 18th October in which you enquire what measures this Association proposes to take in connection with providing cover against war risk on land.

In reply I am to inform you that there is an agreement amongst British Insurance Companies and Lloyds not to cover War Risk as it is considered that the risk is not one which they should be expected to accept in view of the accumulation of liability in a limited area and the possible catastrophic losses which their funds might not be able to meet. It is generally accepted nowadays that war risk insurance is a national liability.

RAILWAYS.

Timing of the Arrival of the Punjab Mail.

Letter No 1370, dated the 12th July, 1939, from the Chamber to the East Indian Railway.

I am directed by the Committee of the Chamber to invite your attention to the question of the delivery of the principal inland mails in Calcutta. The Committee had a long correspondence with the Postal Department regarding the hours of delivery from the Calcutta G. P. O. The Committee had pointed out that the Punjab Mail and certain other mails carried the most important mails of the day and it was essential that letters brought by these mails should be delivered from the Calcutta G. P. O. as early as possible. Before October last, for example, the Punjab Mail was included in the 10 A.M. delivery from the Calcutta G. P. O. but on account of the irregular arrival of this train the Postal Department had proposed to change the timing of the 10 A M. delivery to 11-30 A.M. As a result of the protest of this Chamber along with others however the 10 A.M. delivery was changed only to 10-30 A.M and the Punjab Mail is now included in this delivery. The Committee of this Chamber still receive several complaints that the letters carried by the Punjab Mail are delivered late and it is often very difficult for business firms to take immediate action on these letters. The Postal Department on the other hand states that the Punjab Mail arrives at 7-45 A.M. and the letters reach the G. P O. at 8-35 A.M. and are included in the 10-30 A.M delivery and that unless the Railway Authorities can arrange for earlier arrival of this train, it is not possible for the Department to do anything further in the matter.

The Committee need hardly point out the importance of the early delivery of the principal mails and they would request you therefore to see if the Punjab Mail, the scheduled time of arrival for which is at 7-45 A M., can be made to arrive early at Howrah so that the mails from this train could be delivered at 10 A M from the G. P. O. instead of 10-30 A.M. as at present.

I shall be glad if you will kindly give a careful consideration to this matter.

Copy of letter No OMT-247, dated 19th July, 1939, from the East Indian Railway to the Chamber.

In acknowledging with thanks the receipt of your letter No. 1370 of the 12th July 1939 to the address of the Agent now General Manager, I beg to inform you that the question of bringing 6 Dn. Mail into Howrah has been gone into very carefully, but in view of its important connec-

tion with the Sind Express and Karachi Mail at Lahore, this train cannot be timed into Saharanpur any earlier than 1-50 nor can it be accelerated over this Railway in order to permit of its earlier arrival at Howrah.

In view of the reasons stated above, it is hoped that you will appreciate my inability to comply with the request.

PUBLICITY CAMPAIGN FOR PROMOTING INTER AND THIRD CLASS TRAVEL.

Letter No. 230, dated the 11th February, 1939, from the Chamber to the Railway Board

I beg to acknowledge with thanks the receipt of your letter No. 7293-T dated the 4th February 1939. The Committee note that the present publicity campaign is being carried on as an experiment for one year and that "no tenders or offers were invited for this experiment". The Committee shall be glad to know as to when this experimental period expires as also the particulars of the cost of the campaign.

Copy of letter No 7293-T, dated the 30th June, 1939, from the Railway Board to the Chamber.

Re: Advertising campaign in connection with Inter and Third Class Travel.

I am directed to state that the Railway Board regret that they are not prepared to accept your proposal that the advertising contract made with Messrs Keymer and Company last year should be discussed with the Chief Commissioner and Financial Commissioner of Railways during their forthcoming tour. (Item No. 2 of your Agenda). I am, however, to thank your Committee for the expression of their views and to ask that the names of those Indian Publicity firms which the Chamber can recommend as being thoroughly efficient and reliable may be forwarded to the Board, so that at the expiry of the present short-term contract with Messrs Keymer & Co. when the whole subject will be reviewed the Board may be in a position to consider what further action should be taken.

Copy of letter No. 7293-T., dated the 12th September, 1939, from the Railway Board to the Chamber.

Re: Advertising campaign in connection with Inter and Third Class Travel.

I am directed to acknowledge with thanks the receipt of your letter No. 1839* dated the 2nd instant and to state that in view of the circumstances at present prevailing, the Railway Board do not propose

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*Not printed.

to continue the special campaign for increasing intermediate and third class travel on railways.

FREQUENT MAJOR ACCIDENTS ON THE EAST INDIAN RAILWAY.

Telegram dated the 14th January, 1939, from the Chamber to the Railway Board.

Committee Indian Chamber greatly perturbed at occurrence of frequent major accidents on East Indian Railway constituting grave risk to travelling public. Strongly urge constituting public enquiry to acertain causes of repeated accidents and recommend suitable measures for safety.

Letter No. 82, dated the 18th January, 1939, from the Chamber to the Railway Board.

In continuation of my telegram of the 14th January 1939 as per copy enclosed herewith, I am directed by the Committee of the Indian Chamber of Commerce, Calcutta, to address you in connection with the very frequent major accidents which have been taking place on the East Indian Railway during the past several months. Ever since the unfortunate disaster at Bihta in July 1937, major accidents involving great loss of life have been very frequent on the E. I. R. and the latest accident to 9 Up Dehra Dun Express near Hazaribagh Road station on Thursday last has come as a great shock to the public not only due to its serious proportions but also because of its being a reminder that, unfortunate as it is, railway travel over this particular section of the East Indian Railway seems to have become increasingly unsafe.

Without committing themselves to any particular theory, the Committee would like to point out that the great frequency with which these accidents have been occurring lends support to the growing belief that there is some common underlying cause for these accidents. Whether it may be due to sabotage, or to any internal disorder in the railway organisation itself or due to any widespread damage to and defect in the permanent way, it is high time that the Government should immediately institute a public enquiry by a thoroughly competent and impartial body to investigate into the causes of these accidents so that suitable measures may be taken to remove those causes whatever they may be. The Committee trust that the Government will appreciate the public anxiety over the matter and give a most careful and immediate consideration to the matter.

Shortage of Wagons for Transporting Grass to Paper Mill at Jagadhri.

Letter No. 501, dated the 11th March, 1939, from the Chamber to the B. & N. W. Railway.

I beg to confirm having sent to you the following telegram today.

"Committee understand adequate wagons for transporting grass from certain stations to Paper Mills at Jagadhri not available Paper Mills not getting daily requirements grass greatly handicapped kindly action supply wagons".

The Committee are given to understand that great difficulties are experienced in obtaining adequate number of wagons for transporting bankas grass from Tulsipur, Pachperwa, Kawapur, Balhni, Nishangarh, Shohratgarh and Naipalgunge to the paper mills at Jagadhri The Committee understand that stocks amounting to two lakh maunds of grass have accumulated at the depots at some of these stations As sufficient number of wagons are not available, the grass cannot be transported to the paper mills As the daily requirements of grass are not available, the paper mills, on the other hand, are greatly handicapped

The Committee would further point out that bankas grass is highly inflammable and as the depots are situated in close proximity to the railway line and other habitations, there is a danger of the stocks of grass catching fire

The Committee further understand that every year about four to five lakh maunds of grass are transported to the paper mills from these stations during the months of January to May and June The cutting operations in the forests are started by about the middle of November and the grass is removed to stations for transportation to the mills However, as sufficient number of wagons are not available this year, the depots have been over-loaded On the other hand, the grass is to be removed from the jungles before the middle of March because by that time, the Government authorities set up the regulation fire Thus, although, stocks are coming daily from the interior, they cannot be transported to the mills and there is not even enough accommodation for the huge stocks at the depots Moreover, this grass is perishable by long exposure to weather conditions and the mills stand to lose considerably if the quality of the grass deteriorates.

In view of the difficulties and the handicap to the paper mills in getting their daily requirements of grass, the Committee would request you to kindly arrange, as early as possible, for adequate number of wagons for transporting this large stocks at the stations mentioned above to the paper mills at Jagadhri.

Copy of letter No. M S.8/39/6/19, dated the 17th March 1939, from the Bengal and North-Western Railway Co , Ltd. to the Chamber.

I beg to acknowledge the receipt of your letter No. 501 of 11th March 1939 and to inform you that supply of wagons for 'Bankas' traffic has been arranged.

Letter No. 2215, dated the 18th October, 1939, from the Chamber to the B. & N. W Railway.

The attention of the Committee of the Chamber has been drawn by Shree Gopal Paper Mills, Ltd , to the likely shortage of wagons for the carriage of grass from stations on your Railway to their factory at Jagadhri in the Punjab The Committee learn that last year also the factory was put to difficulties on account of sufficient number of wagons being not available for carrying grass and large stocks of grass had accumulated at the depots on various stations on your railway although later on the railway took some action to obviate the difficulty The Chamber had the occasion to address you last year also on the subject and as you know bankas grass is highly inflammable and as the Depots on the railway are mostly situated close to the station premises and the residential quarters thereabout, the danger of accumulated stocks to the areas surrounding the Depots is obvious. The factory was put to considerable trouble in removing the accumulated stocks from the stations on your railway last year. The Committee would therefore request you to kindly see that adequate number of wagons per day are allotted to Shree Gopal Paper Mills Ltd., from the middle of January next, when it is expected that stocks of grass will be ready for despatch The Committee trust you will be good enough to give careful consideration to this request

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Copy of letter No. M S 22/38/3, dated the 30th October, 1939, from the Bengal and North-Western Railway Co., Ltd., to the Chamber.

I beg to acknowledge the receipt of your letter No 2215 dated the 18th October 1939 and to inform you that necessary action is being taken in the matter.

AIR-CONDITIONED SERVICE BETWEEN HOWRAH AND DELHI.

Letter No. 910, dated the 17th May, 1939, from the Chamber to the East Indian Railway.

Re: Air conditioned service between Howrah and Delhi.

I am directed to refer to the correspondence resting with your letter No CR/OM/72-S/BF dated the 22nd August 1938 on the above

subject. The Committee understand from press reports that the Railway Board is at present considering the proposal of the introduction of air conditioned service between Lahore and Karachi and between Delhi and Peshawar. The Committee are not aware as to the decision taken by the railway authorities on their suggestion of the introduction of similar service between Howrah and Delhi and they regret to find that there is no mention of the same in the said press report. The Committee would like to reiterate the necessity of air conditioned service on this important route and hope that this proposal will also be considered along with others for the early introduction of air conditioned service.

The Committee would also suggest that the system of air conditioning which is adopted on this route should preferably be on the lines of the system in force over the B. B. & C. I. Railway. The Committee shall be glad to be advised of the progress in the matter.

PROCEDURE OF SUPPLYING WAGONS.

Copy of letter No. 7332-T., dated the 15th June, 1939, from the Railway Board to the Chamber.

Facilities for the acceptance of wagon load consignments for despatch.

With reference to your letter No. 2369 dated the 11th November, 1938, I am directed to state that as conditions vary on different railways and, even at different stations on the same railway, the arrangements at present in force, at various stations on Indian railways regarding the booking of wagon load consignments are considered to be those best suited to the circumstances prevailing at individual stations. The Railway Board believe that the existing methods of registering consignments, which ensure that these are despatched strictly in the order in which they are tendered to the railway, are in the best interests of traders generally and that these methods which have been well tried and found to be satisfactory are liable to fail if goods are not brought to the station at the time a consignment note is offered. In the circumstances it is not considered feasible to adopt the proposal made by your Chamber that the station master should proceed to arrange for the supply of wagons without insisting on the goods being first brought to the station.

2. With regard to the alternative proposal that railway receipts should be issued to the consignors immediately when goods are presented for booking, I am to say that the proposal is not practicable for general application, so far as wagon load consignments are concerned. It will no doubt be appreciated that there are special reasons which justify the introduction of one system for goods tendered in small lots and

another for wagon load consignments, as in the latter case the question of supplying wagons in the strict order of registration is of very great importance both to the Railway and to the trading community. The Railway Board have no doubt however, that if at a particular station difficulty is experienced in the issue of railway receipts for wagon load consignments, a reference to the railway concerned will cause such remedial measures to be adopted as may be possible in the circumstances of the case.

ILLEGAL GRATIFICATION TO THE RAILWAY STAFF.

Copy of letter No. HGP.369/B/39, dated the 15th June, 1939, from the East Indian Railway to the Chamber.

Illegal gratification to Staff.

As you are aware, the above subject was discussed in the 20th Informal Quarterly Meeting between Calcutta Chambers of Commerce and Railways serving Calcutta and it was suggested to the Chambers that organised sections of the trading community such as the various Trade and Produce Associations, should come to a definite decision to stop payments of illegal gratification and ensure that their members should observe such a resolution. It was also pointed out that the railways would take all the necessary steps to see that no annoyance or victimisation was caused to merchants as a result.

2. With a view to help the Chambers in this connection and also to collect evidence to establish specific cases in which illegal gratification is demanded or paid to staff in Howrah Goods, it has been decided to supply questionnaire forms* (50 copies of which are enclosed) to the members of the various Chambers of Commerce. The Form should be filled up whenever any illegal gratification is either paid or demanded by the staff in Howrah Goods and should be sent addressed to the Superintendent Commercial, East Indian Railway, Howrah.

3. I shall be glad if you will please supply these Forms to the members of your Chamber and also let me know in case more Forms are required. I shall also be glad if you will please request the members of your Chamber to take special interest in the matter and cooperate with the Railway Administration by making use of these Forms whenever illegal gratification is paid or demanded by the Staff in Howrah Goods.

4. I may state that the Information supplied will be treated as confidential and will not be used for legal proceedings.

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*Not printed

Letter No. 1504, dated the 28th July, 1939, from the Chamber to the Eastern Bengal Railway.

As you may be aware the subject of illegal gratification demanded by the railway staff has been discussed more than once in the Informal Quarterly Meetings between the Railways and the Chambers of Commerce from time to time. The Railways have assured during the discussions that they would take all necessary steps to see that no annoyance or victimisation is caused to merchants giving them information in the matter. With a view to collect evidence and establish specific cases in which illegal gratification has been demanded or paid to the railway staff in Howrah Goods, the E. I. Railway, you may be aware, have recently started the practice of supplying questionnaire forms to merchants which are to be filled up and forwarded to the railway whenever any case of demand or payment of illegal gratification to the railway staff arises. The E. I. Railway have assured the merchants that the information supplied to them in the questionnaire form will be treated as confidential and will not be used for any legal proceedings against the person sending the form I shall be glad if you will kindly enlighten me if your railway have adopted or propose to adopt any such system for checking the evil of illegal gratification to the railway staff at Sealdah. The Committee suggest that a similar system should be adopted on your Railway.

An early reply will oblige.

Copy of letter No. 177C/I-CA-Goods-Check, dated the 9th August, 1939, from the E. B. Railway to the Chamber.

With reference to your letter No. 1504 dated the 28th July, 1939 I have to state that a similar measure has already been adopted for Calcutta goods.

I send herewith 10 copies of the questionnaire forms* for distribution amongst members of your Chamber. More Forms when required may be had on asking from this office.

These forms should be filled up whenever any illegal gratification is either paid or demanded and should be forwarded to the Traffic Manager (Check) E. B. Railway, Calcutta.

I may add that the information supplied will be treated as confidential and will not be used for legal proceedings.

GREEN ARROW REGISTERED TRANSIT SYSTEM.

Letter No. 1698, dated the 17th/18th August, 1939, from the Chamber to the Eastern Bengal Railway.

The attention of the Committee of this Chamber has been drawn to the 'green arrow registered transit system' recently introduced by

*Not printed.

your Railway. The Committee understand that a flat rate of Re. 1 per consignment is charged for registration under the 'green arrow system' in addition to the ordinary freight charges. While appreciating the facilities made available under this system to the public and the commercial community in particular by your Railway, the Committee feel that a flat rate of Re 1 per consignment is rather high in the case of small consignments especially when the freight itself amounts to a few rupees. The Committee realise that the nature of the facilities is such that the cost to the Railway per consignment small or big may be practically the same but they would like to point out that there are many branches of trade in which the average bulk of the freight on consignments is very small *e.g.* in the case of consignments of drugs etc. sent by Chemical Concerns and in such cases the charge of Re. 1 per consignment may definitely deter them from availing themselves of the facility offered by the Railway. The Committee would therefore suggest for your consideration that the possibility of introducing two scales of charges one for big consignments and another reduced one for small consignments may be investigated in order to enable a larger section of the public to take advantage of the facilities offered. The Committee trust that their suggestion will be carefully considered.

Copy of letter No. JA-4/III-P.III, dated the 29th August, 1939, from the Eastern Bengal Railway to the Chamber.

SUBJECT: Green Arrow Registered Transit System.

Ref. Your letter No. 1698 dated 17th/18th August 1939.

In reply to your letter under reference I beg to state that having regard to the considerable body of special staff engaged to look after 'Green Arrow' consignments, the number of advices and messages (some of them telegraphic) which have to be issued in connection with every individual Green Arrow consignment, the postage (-/1/6 on every consignment) that has to be incurred in serving notice of arrival and intimation of delivery and the additional shunting that has to be performed in sorting out 'Green Arrow' traffic from ordinary traffic, Re. 1 per consignment is the minimum registration fee which can be charged even for small consignments.

The nature of the service is such that the factor of the size of the consignment can be given very little weight. Whether it is a whole wagon or only one package, the watch that has to be maintained by the Green Arrow establishment, the clerkage and postage involved in advices, notices, etc., are the same.

I appreciate your Committee's argument that the registration fee of Re. 1 although a reasonable sum in itself, bears a disproportionately

high ratio to the freight in the case of small consignments of drugs, etc. and may deter consignors of such consignments from availing themselves of this facility. At the same time you will realise that it is not possible for this Administration to charge a fee which is inadequate to cover the special expenses in connection with the operation of the system An analogous system is in operation on certain British Railways where a registration fee of half-a-crown per consignment is charged irrespective of the size or the freight. This is nearly double the fee prescribed by this Administration.

2. After very careful consideration of your Committee's suggestion, I regret I am unable to accept it.

INFRINGEMENT OF SECTION 42(2) OF THE INDIAN RAILWAYS ACT BY DEHRI-ROHTAS LIGHT RAILWAY.

Letter No. 1527, dated the 1st August, 1939, from the Chamber to the Railway Board.

The Committee of this Chamber understand that Messrs. Kalyanpur Lime and Cement Works, Ltd , have applied to the Railway Board for referring the question of infringement by the Dehri-Rohtas Light Railway of section 42(2) of the Indian Railways Act to the Railway Rates Advisory Committee. The Committee further find that although the application was made in March 1939, no decision has yet been taken by the Board in the matter. The Committee would request you to kindly expedite the matter.

Copy of letter No 7193-T., dated the 16th September, 1939, from the Railway Board to the Chamber.

Complaint against the Dehri-Rohtas Light Railway for reference to the Railway Rates Advisory Committee.

In continuation of the Railway Board's letter No. 7193-T. dated the 5th September, 1939, I am directed to state that the application from Messrs. Kalyanpur Lime Works Limited, Calcutta, against the Dehri-Rohtas Light Railway has since been forwarded to the Railway Rates Advisory Committee, for investigation and report.

PROVINCIAL AND REGIONAL TRANSPORT AUTHORITIES.

Copy of letter No. 1867(42)-P.I., dated the 29th August, 1939, from the Government of Bengal, Home Department, (Police) to the Chamber.

I am directed to invite your attention to Section 44 of the Motor Vehicles Act, 1939, which requires the Provincial Government to constitute the Regional Transport Authorities and the Provincial Transport

Authority referred to therein, and to ask you to be so good as to favour the Government with the views of your Chamber as to the personnel of the said authorities The question of the areas over which the Regional Transport Authorities will have jurisdiction may also be considered *i.e.* whether the present districts with their existing boundaries should be treated as areas for this purpose.

2. Your views are also invited on the question of the authority to whom appeals should be filed against the orders of the Regional Transport Authorities and of the Provincial Transport Authority if the latter body should pass orders which are appealable under the Act under section 64 of the Act.

An early reply is requested.

Letter No. 2197, dated the 17th October, 1939, from the Chamber to the Government of Bengal, Home Department.

I am directed to invite reference to your letter No. 1867(42-P.I.) dated the 29th August 1939 inviting the views of the Chamber on the question of personnel and jurisdiction of the Provincial Transport Authority and the Regional Transport Authorities to be constituted under the Motor Vehicles Act, 1939. The Committee understand that the Government of India had sometime back circulated certain model rules to the various Provincial Governments on this subject and the same were more or less approved by the Government of Bengal. The Committee feel that it would have been advisable if the Government of Bengal had circulated these model rules to the Chambers of Commerce for opinion as that would have helped them in considering the present subject to a great extent.

Regarding the personnel of the Provincial Transport Authority, the Committee of this Chamber would suggest that the same should consist as under.

Chairman.

1. Senior Member of the Board of Revenue or Secretary, Local Self-Government Department.

Members.

2. Inspector-General of Police.
3. Chief Engineer, P. W. D.
4-5. Two Members representing the Municipalities and District Boards.
6-9. 4 Members representing Chambers of Commerce.
10. Secretary, Local Self-Government Department.
11. An Official appointed by the Government to be the Secretary.

As regards the Regional Transport Authority for the Calcutta Area, the Committee are of opinion that it should consist of the following:—

1. Commissioner of the Presidency Division as Chairman.
2. The Deputy Inspector-General of Police or his Nomineee to represent the suburban areas.
3. Deputy Commissioner, Public Vehicles Department as Secretary.
4. One Councillor of the Calcutta Corporation.

5-8. 4 representatives of the Chambers of Commerce.

As regards the other regional areas, the Committee have no particular views to offer.

With regard to the jurisdiction of the Regional Transport Authorities, the Committee are of opinion that ordinarily a district as now constituted should be treated as an area for this purpose except in the case of the City of Calcutta which should form one area consisting of the Presidency Town and suburbs namely the Municipality of Howrah, 24-Parganas, Baranagar etc

The Committee would further suggest that appeals from the Provincial Transport Authority should lie with a Judicial Officer of the rank and experience of a High Court Judge and in the case of the Regional Transport Authorities, the appeals should ordinarily lie with the Provincial Transport Authority but in respect of the authority-in-charge of Calcutta and suburban areas, the appeal should lie directly with the Judicial Officer mentioned above

As regards the delegation of powers of Regional Transport Authorities to individual members, the Committee are of opinion that such a practice is not desirable.

The Committee trust the suggestions made above will receive your careful consideration.

DETENTION OF WAGONS UNDER LOAD DURING LABOUR STRIKES.

Copy of letter No. OMC-69, dated the 29th August, 1939, from the East Indian Railway to the Chamber.

Labour Strikes.

1. This reference is prompted by the importance of certain aspects of the effects of labour strikes on the interests of the railway, as a result of wagons containing goods booked to industrial concerns, which happen to be affected by strikes amongst their employees remaining underload during the incidence of such strikes.

2. It will be appreciated that, in the case of wagons which remain underload, not only does demurrage accrue on such wagons, but the railway also loses the use of such stock while they remain underload, the latter representing a serious issue to the railway during periods of heavy loading, particularly when there is a general shortage of wagons.

3. So far as demurrage in such cases is concerned, the Railway Administration is prepared, and in fact it is already the practice, to accord sympathetic and liberal consideration to this issue.

4. Briefly put, the policy of the railway in regard to demurrage in such instances is to consider each case on its merits from the point of view, primarily, as to whether the industrial concern affected has or has not taken, in the estimation of the railway, prompt and effective measures when a strike is imminent to prevent consignments coming forward to the detriment of the railway, the onus of proof in these respects resting entirely with the industrial interests concerned.

5. Unfortunately, despite a readiness on the part of the railway to be helpful and considerate where wagon demurrage is concerned, it has been the experience of this Administration that when labour trouble has developed hitherto, industrial concerns have failed to play their part inasmuch as they have not suspended the movement of goods traffic sufficiently in advance of the strikes developing so as to obviate detention to wagons underload, with the result that serious congestion in railway yards and consequent restrictions on other movements of railway traffic accompanied by heavy loss of revenue have had to be faced due to no fault of the railway.

6. In these circumstances, this Administration has no alternative but to notify all industrial concerns that in future they will be expected promptly to notify the railway well in advance of the occurrence of a strike that the booking of goods to factories, etc. is to be stopped so as to prevent traffic coming forward to the detriment of railway interests. To ensure that there will be no failure in this direction in future, the railway considers that it must also reserve to itself the right of determining when such restriction should be imposed on occasions on which, in the estimation of the Administration, industrial concerns are failing to fulfil their obligations before strikes actually occur.

7. It is also to be noted that any failure to afford timely notice to the railway of a strike which is expected to occur will render an industrial concern liable for the entire amount of demurrage that may accrue in such cases.

8. I shall be obliged if your Chamber will kindly advise your members in terms of this communication.

Copy of letter No. OMC-69, dated 7th October, 1939, from the East Indian Railway to the Chamber.

Labour Strikes.

1. I have been given to understand that para. 6 of my letter No. OMC-69 dated the 29th August 1939 has been deemed to impose

impracticable conditions on industrial concerns on the ground that as, in many instances, they are not in a position to gauge whether the threat of a strike will develop into an actual strike, it is not a practicable proposition, in such circumstances, to arrange in advance with the railway to restrict the booking of goods to their mills or factories.

2. I would like to make it clear that the railway never intended nor does it expect that, on the *mere threat* of a strike, industrial concerns shall be required to advise the railway to impose restrictions on their traffic.

3. I would also mention that the question of "lightning" strikes, or a strike where only short notice is given, was discussed recently at an informal meeting between the representatives of the Calcutta Chambers of Commerce and the Calcutta group of railways on the 13th September 1939, and with a view to help in elucidating what the railway desires to achieve with the co-operation of industrial concerns, I reproduce below the relevant extract from the Minutes of that Meeting :—

Subject No. 7.

Prevention of detention to stock during industrial strikes —The East Indian Railway have addressed Chambers of Commerce on the above subject in their letter No. OMC-69 dated 29th August, 1939

The necessity for such a communication has been explained in the letter and the railway would be pleased to secure active co-operation of the Chambers in the matter, particularly during the ensuing busy season

Result of discussion.—The opinion generally held by the representatives of the Chambers was that where any industrial concern becomes aware of, or is notified of a strike sufficiently in advance of its occurrence, such concern should co-operate with the railway and assist in protecting the railway interests, as well as those of other constituents of the railway, by stopping supplies of goods and coal coming forward in such a manner as will prevent the detention of wagons underload as far as possible. At the same time, Dr Sanyal emphasised the necessity for bearing in mind that there were such occurrences as "Lightning" strikes or strikes where only short notice was given, and he trusted that the railway would deal with such cases in a sympathetic and liberal manner.

Mr Young assured the Meeting that the attitude of the railway accords precisely with that advocated by Dr. Sanyal.

4. I trust your Chamber will kindly communicate the contents of this further letter to its members in continuation of what was said in my letter No OMC-69 dated 19th August 1939, so as to remove any apprehensions that may have arisen in regard to the actual intentions of the railway in the matter.

Copy of letter No. OMC-69, dated the 13th October, 1939, from the East Indian Railway to the Chamber.

Re: Detention to wagons in consignee's yards, depots or sidings on account of strikes of their labour.

It is the experience of this railway that cases fairly frequently occur where firms who have strikes or warnings of strikes amongst their labour do not take timely action to stop or restrict consignments coming forward. The consequence is that considerable numbers of wagons are detained under load in firms' sidings, or in adjacent Railway yards awaiting unloading or placement.

Immobilisation of wagons in this way is clearly detrimental to the interests of the Railway and of the general public.

Heavy demurrage is of course incurred but firms invariably plead strike conditions as grounds for remission.

Such cases are always dealt with on their merits

In future the Railway require, that whenever possible, notice should be given of the imminence of strikes. Any abatement or remission of demurrage or wharfage will depend on such notice and on evidence that prompt steps have been taken to stop or restrict despatch of consignments to the firm.

It is recognised that in certain circumstances such as lightning strikes, it is sometimes impossible to give timely notice or make timely arrangements for control of consignments Such cases will receive sympathetic consideration on their merits

I shall be obliged if you will advise the members of your Chamber of the terms of this communication.

This cancels letters No. OMC-69 dated 29th August 1939 and 7th October, 1939.

LEVY OF SURCHARGE ON COAL, COKE AND PATENT FUEL BOOKED TO BOMBAY AND STATIONS IN THE VICINITY OF BOMBAY.

Copy of letter No. RA-41/710, No. 56, dated 28th September, 1939, from the Bengal Nagpur Railway Co., Ltd. to the Chamber.

Levy of Surcharge on Coal, Coke and Patent fuel booked to Bombay and stations in the vicinity of Bombay.

As you are aware, the 12½% surcharge subject to maximum of Re. 1 per ton leviable on coal, coke (except soft coke) and patent fuel,

is not at present levied on coal, coke and patent fuel booked from B. N. Railway Colliery Stations in the Jharia, Chaurashi, Radhanagar and Bokharo-Jharia Fields to Bombay and certain stations in the Bombay Zone.

In view of the altered circumstances, however, the Railway can no longer continue this exemption.

Consequently, on and from 1st November 1939, coal, coke (except soft coke) and patent fuel for the public and for the use of Foreign Railways booked from B N. Railway Colliery stations in the Jharia, Chaurashi, Radhanagar and Bokharo-Jharia Fields to Bombay and the following stations in the Bombay Zone, will be charged at the revised rates as shown below :—

1 Description.	2 To	3 From Bhaga, Bhojudih Malkera, Mohuda, Talgaria, Khanoodih, Jamuniatand.	4 From Chaurashi.	5 From Radhanagar.	6 From Bokharo jharia fields.
		Per ton Rs. As. Ps.	Per ton Rs. As. Ps.	Per ton. Rs. As. Ps.	Per ton. Rs. As. Ps.
Public Coal, Coke and Patent fuel in full wagon loads subject to minimum weight for charge according to types of wagons used, at owner's risk (owners to load and unload)	Bombay (*Via.* Nagpur)	12 6 0	12 6 0	12 6 0	12 6 0
	Bombay (Dadar) (*Via.* Nagpur)	12 3 0	12 3 0	12 3 0	12 6 0
Coal, Coke and patent fuel for the use of the G. I. P. Rly. in full wagon loads subject to minimum weight for charge according to types of wagons used, at owner's risk (Owners to load and unload)	Bombay (*Via.* Nagpur)	12 2 0	12 2 0	12 2 0	12 2 0
	Bombay (Dadar) (*Via.* Nagpur) Bombay (Matunga) (*Via.* Nagpur)	11 15 0	11 15 0	11 15 0	12 2 0
Coal coke and Patent fuel for the use of B. B. & C I. Railway in full wagon loads subject to a minimum weight for charge according to types of wagons used, at owner's risk (Owners to load and unload.)	Parel (Bombay Central) (*Via.* Nagpur and Amalner)	12 2 0	12 2 0	12 2 0	12 2 0
	Bandra (*Via* Nagpur and Dadar)	12 2 0	11 15 0	12 2 0	12 2 0

Note :—The surcharge of 12½% of the total freight charges, subject to a maximum of Re. 1/- per ton will be levied in addition except on soft coke.

3. I shall be obliged if you will please advise the members of your Chamber accordingly.

Copy of letter No. CR/CR-1238, dated the 29th September, 1939, from the East Indian Railway to the Chamber.

Re: Levy of surcharge on coal, coke and Patent fuel booked to Bombay and stations in the vicinity of Bombay.

1. As you are aware, the 12½ per cent surcharge subject to a maximum of Re 1 per ton leviable on all coal, coke and Patent fuel is not levied at present on coal, coke and Patent fuel booked from East Indian Railway Colliery stations to Bombay and certain stations in the vicinity of Bombay.

2 In view of altered circumstances, however, the railways can no longer continue this exemption of Coal, Coke and Patent fuel consigned to Bombay and stations in the vicinity thereof from the surcharge

3. Consequently, on and from the 1st November, 1939 Coal, Coke (except soft coke which is unsuitable for metallurgical purposes) and Patent fuel both for the public and for the use of foreign railways booked from all East Indian Railway Colliery stations to Bombay etc., will be charged at the following revised rates.

(*i*) Public Coal, Coke and Patent fuel in full wagon loads at owner's risk:—

Station to.	Route	Rate per ton. Rs.	As.	Ps.	
G. I. P Railway, Bombay (all stations, including stations on the B. P. T Ry. reached by the G. I. P. Ry)	*Via* Naini	12	6	0	Plus a surcharge of Re. 1 per ton calculated on the weight for charge of the consignment except on soft coke
Bombay (Dadar) ..	do	12	3	0	

(*ii*) Foreign Railways Loco Coal in full wagon loads at owners' risk:—

Station to	Route.	Rate per ton. Rs.	As	Ps.	
G. I. P. Ry.—					
Bombay (Wadi Bunder and Parel)	*Via* Naini	12	2	0	Plus a surcharge of Re. 1 per ton calculated on the weight for charge of the consignment.
Bombay (Dadar) ...	do.	11	15	0	
Bombay (Matunga) ..	do.	11	15	0	

Station to.	Route.	Rate per ton Rs. As Ps	
B B & C. I. Ry.—			
Bombay Central .	*Via* Naini Amalner & Udhna	12 2 0	Plus a surcharge of Re 1 per ton calculated on the weight for charge of the consignment
Bandra .. .	*Via* Naini & Dadar.	Calculated rates per ton for public coal as shewn in the tariff less B B & C. I Railway terminal charge ot Re 0-4-0 per ton.	Plus a surcharge of Re 1 per ton calculated on the weight for charge of the consignment.

4 I shall be obliged if you will kindly advise the members of your Chamber accordingly

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Letters Nos 2179 and 2180, dated the 17th October, 1939, from the Chamber to the East Indian and Bengal Nagpur Railways.

I am directed to invite reference to your letter dated the 28th/29th September, 1939 regarding levy of surcharge on coal, coke and patent fuel booked to Bombay and stations in the vicinity of Bombay The Committee note that in view of altered circumstances, your railway have decided to discontinue from the 1st November, 1939 the exemption of coal, coke and patent fuel consigned to Bombay and stations in the vicinity thereof from the 12½% surcharge leviable on all coal, coke and patent fuel. The Committee have also noted the revised rates at which it is proposed to charge these commodities henceforth. Before expressing any further views the Committee would be glad if you will kindly enlighten them about the nature of altered circumstances which, according to your railway, have necessitated discontinuing of this exemption.

An early reply will oblige

Copy of letter No. CR/CR-1238, dated the 3rd November, 1939, from the East Indian Railway to the Chamber

Re: Levy of surcharge on coal, coke and patent fuel for the public and for the use of foreign railways booked to Bombay and stations in the vicinity of Bombay

With reference to your letter No. 2179 dated the 17th October, 1939 I beg to inform you that in view of the recent increase in the sea freights for coal which is likely to continue, the Railway Board

considered that there was no longer any justification for exempting coal consigned to Bombay from the usual surcharge

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Copy of letter No R A -41/710 No 56, dated the 9th November, 1939, from the Bengal Nagpur Railway to the Chamber.

Re. Levy of surcharge on coal, coke and patent fuel booked to Bombay and stations in the vicinity of Bombay.

In reply to your letter No. 2180 dated the 17th October, 1939 I would state that the normal rail freight for coal to Bombay is the charge at the Bengal Coal Scale plus the surcharge.

It was on account of the low competitive sea freight prevailing that a rail freight lower than the normal freight has hitherto been charged.

Now that the corresponding sea freight for coal has been increased, the normal rail freight by the all-rail route has been made applicable.

This merely puts the despatches of coal by the all-rail route to Bombay on the same footing as applies generally to coal transported by rail throughout the country

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Letters Nos. 2583 & 2584, dated the 19th December, 1939, from the Chamber to the East Indian and Bengal Nagpur Railways.

I am directed to invite reference to your letter dated the 3rd/9th November, 1939 regarding withdrawal of the exemption from surcharge of coal, coke and patent fuel consigned to Bombay and stations in the vicinity of Bombay. The Committee note that on account of the recent increase in the sea freight for coal, your Railway have deemed it necessary to withdraw the exemption from the surcharge of coal booked to these stations The Committee would, however, point out that shipping freight has increased on account of a number of factors which, do not apply to the railways For example, there is increased risk on the sea at present due to the circumstances of the war with consequent increased war risk insurance and the shipping companies have also had to pay higher wages to seamen in service. In the Committee's view therefore, there is no justification for the railways to advance the increase in sea freight as an argument for levying the surcharge on coal booked to Bombay and stations in the vicinity of Bombay.

The Committee would further state that prices of a number of manufactured articles have gone up due to the difficulties in obtaining supplies of essential chemicals, raw materials, sizing materials etc., and if the price of coal also increases due to the higher freight, industrial activity in the centres concerned may also be prejudicially affected.

While the Committee presume that coal, coke and patent fuel consigned to Bombay and the stations in the vicinity of Bombay will be

exempted from the surcharge as soon as the sea freight is reduced to its previous level, they would request you to reconsider the matter at present so that the exemption of coal booked to these stations from the usual surcharge may be continued

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MAINTENANCE OF A CONNECTION AT DELHI BETWEEN THE B B & C I RAILWAY, 2 DOWN SIND-DELHI MAIL AND THE E. I RAILWAY 2 DOWN DELHI-CALCUTTA MAIL

Letter No 2444, dated the 4th December, 1939, from the Chamber to the Railway Board

The attention of the Committee of this Chamber has been drawn to the difficulties experienced by passengers arriving from Cutch, Kathiawar, Sind, Gujerat and Rajputana at Delhi for Calcutta The Committee learn that the Sind-Delhi Mail arrives at Delhi at 7-25 in the morning and the next train which is available to the passengers for Calcutta is the Upper India Express *via* Benares which leaves Delhi at 8-15 This train however reaches Calcutta at 3-24 P M on the next day. The Kalka-Delhi Mail on the other hand, starts from Delhi at 7 o'clock *i e* 25 minutes before the arrival at Delhi of the Sind-Delhi Mail. If passengers for Calcutta would avail of this train, they would be able to arrive at Calcutta at 8-15 in the morning, *i.e* 6 hours earlier than by the Upper India Express The Committee need hardly mention that if passengers are able to arrive in the morning, they would be able to attend to their business on the same day at 10 A M., but if they arrive at 3-15 P M. by the Upper India Express, they cannot attend to their business on the same day and unnecessarily lose the day The Committee of the Chamber therefore feel that if the Kalka-Delhi Mail is timed to leave Delhi half an hour later and the Sind-Delhi Mail is timed to arrive at Delhi half an hour earlier, passengers coming from Cutch, Kathiawar, Sind, Gujerat and Rajputana can avail of the Delhi-Calcutta Mail and reach Howrah in the morning on the next day The Committee would be glad therefore, if your Board would kindly inquire into the matter and take early steps to alter the timings of the two trains as suggested.

Regarding the Kalka-Delhi Mail, however, the Committee would point out that though it may be timed to leave Delhi half an hour later, it is essential that the train should arrive at Howrah at the same time at it does at present If it is made to arrive at Howrah later than at present, passengers coming by this train would find it very difficult to attend to their business in office time on the same day.

Copy of letter No. 1005-T.T., dated the 12th December, 1939, from the Railway Board to the Chamber

Connection of No 2 Down (MG) Sind-Delhi Mail with No. 2 Down Delhi Mail at Delhi.

With reference to your letter No. 2444 dated the 4th December, 1939 I am directed to state that the matter has been referred to the General Managers, East Indian and North Western Railways and to the Agent and General Manager, Bombay-Baroda and Central India Railway to whom all further correspondence on the subject should be addressed

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Copy of letter No. OMT-247, dated the 22nd December, 1939, from the Chief Operating Superintendent, East Indian Railway to the Chamber

Re: Connection of No. 2 Down (MG) Sind-Delhi Mail with No. 2 Down Delhi-Calcutta Mail at Delhi

With reference to letter No 1005-TT of 12th December 1939 from the Deputy Director, Railway Board, New Delhi, to your address, I beg to inform you that E. I Railway 2 Down Mail leaves Delhi at 6-55 and B. B & C I Ry 2 Down Sind Mail arrives at Delhi at 7-25 or 30 minutes after the departure of E. I Ry. 2 Down

The suggestion to form connection between B. B & C. I. Railway 2 Down and E I Railway 2 Down at Delhi will, therefore, mean starting the latter train at about 50 minutes later from Delhi I regret, in the circumstances, it is quite impossible to make the departure of E. I Railway 2 Down from Delhi any later especially in view of the pressing demands for an even earlier arrival of it than at present in Calcutta. E. I Railway 2 Down Mail cannot also be accelerated in order to retain its present arrival time at Howrah.

Copy of letter No TS-34/39, dated the 8th January, 1940, from the Bombay-Baroda and Central India Railway Company to the Chamber.

SUBJECT: Connection of Metre Gauge 2 Down Sind and Delhi Mail with E I. Railway 2 Down Delhi-Calcutta Mail at Dehli.

With reference to your letter No. 2444 dated the 4th December, 1939 to the Secretary, Railway Board, New Delhi, I beg to inform you that the E I Railway 2 Down Mail used to leave Delhi between 8 hours and 8-25 up to 30th September 1938 but subsequently she was altered to leave there at about 7 hours or 1 to 1-25 minutes earlier and it is up to that Railway to stick to the old departure time and maintain the connection.

2. The running of our Mail is governed by the B. G. trains into Ahmedabad and the scheduled timings laid down for the run. There are also other numerous factors on a single line to be taken into consideration over a distance of 580 miles.

3. I have carefully considered the situation and I regret I am at present unable to time our Mail into Delhi any earlier.

Letter No. 142, dated the 15th January, 1940, from the Chamber to the B. B & C. I. Railway.

I am directed to invite reference to your letter No. TS-34/39/7, dated the 8th January 1940, regarding connection of the Metre Gauge No. 2 Down Sind-Delhi Mail with the East Indian 2 Down Delhi-Calcutta Mail at Delhi. The Committee note that the East Indian 2 Down Delhi Mail used to leave Delhi between 8 and 8-25 hours up to 30th September, 1938, but subsequently the timing was altered to about 7 hours and according to you, it is for that Railway therefore to revert to their old departure timing in order to maintain the connection. While the Committee of the Chamber are also taking up the matter with the East Indian Railway, they would point out that as far as they understand, the No. 2 Down Sind-Delhi Mail of your railway departs about an hour and a half after the arrival of the Gujerat Mail at Ahmedabad with which the same is connected. While appreciating that the running of the Sind-Delhi Mail on your railway is governed by the Broad Gauge trains arriving into Ahmedabad, the Committee feel that the departure timing of this train from Ahmedabad can also be made earlier as there is hardly any necessity of keeping an interval of one hour and a half between the arrival of Gujerat Mail into Ahmedabad and the departure of of the Sind-Delhi Mail therefrom. The Committee would therefore be glad if your railway carefully considers the possibilities of altering the timings of the No. 2 Down Sind-Delhi Mail so that the same can be made to arrive in Delhi at least half an hour earlier.

Issue of Monthly Tickets to Representatives of Business Firms.

Letter No. 1753, dated the 25th August, 1939, from the Chamber to the East Indian Railway.

I understand that the E. I. Railway administration have accepted the proposal of issuing monthly tickets in the names of three servants of business houses with effect from 1st August 1939 but that the facility is confined only to servants of registered firms and limited liability companies to prevent a repetition of the abuse of the facility which led to its withdrawal in 1937. In order to enable me to inform members of the circumstances under which the system was discontinued

previously, I shall be glad if you will kindly send me a note giving the nature of the abuses detected and the reasons for the withdrawal of the facility in 1937.

Thanking you.

Copy of letter No. CR/LM/LKO, dated the 9th October, 1939, from the East Indian Railway to the Chamber.

Re: Issue of Monthly Tickets to Representatives of Business Firms.

With reference to your letter No. 1753 dated the 25th August, 1939, I beg to enclose a note on the above subject as desired by you.

Note.

The system of issuing monthly tickets in the name of three employees of business firms was introduced with effect from 1st December 1936 on the request of certain sugar mills. It was represented that sugar mills generally have to send their peons to out-stations during the cane season in order to make arrangements for the purchase of sugarcane. Difficulty was experienced when an employee fell sick or went on leave; and the arrangement of cancelling the existing ticket and getting a fresh one issued in the name of the substitute employee did not work well, from the point of view of the firms concerned.

Soon after it was found that the concession of getting tickets issued in the name of three employees was being abused as three petty firms of Grocers began to combine and obtain one ticket covering the three concerns. It was accordingly decided to withdraw the concession with effect from 1st December, 1937.

The system has been re-introduced with effect from 1st August, 1939 on the representation of business firms, but in order to prevent a re-occurrence of the abuse which led to its withdrawal in 1937 it has been decided to grant the concession only to registered firms and limited liability Companies.

Letter No. 2191, dated the 17th October, 1939, from the Chamber to the East Indian Railway.

I am directed to invite reference to your letter No. CR/LM/LKO dated the 9th October, 1939 regarding issue of monthly tickets to representatives of business firms. The Committee note that the system of issuing monthly tickets in the names of three employees of business firms was introduced in December 1936 on the request of certain sugar mills as it was represented to the railways that when an employee fell sick or went on leave the arrangements of cancelling the existing ticket and getting a fresh one issued in the name of substitute employee created unnecessary inconvenience to the firms. The Committee also

note that the concession was discontinued from December, 1937 as it was found by the railway that the same was being abused by petty firms often combining and obtaining one ticket covering the three concerns. The Committee are glad to note that the system has been reintroduced from August 1939 but that it has been decided to grant the concession only to registered firms and limited liability concerns. The Committee of the Chamber, however, feel that there is no reason to make such a distinction between registered firms and limited liability companies on the one hand and other business firms on the other hand. The Committee would point out that there are various joint family firms and sole proprietorship firms which are neither registered firms nor limited liability companies but all the same need this concession as much as these firms. According to the Committee, therefore, the sole criterion for determining the grant of these concessions should be whether or not the firm is a *bona fide* business firm. This can be ascertained very easily by the railway making local enquiries. The Committee would, therefore, suggest that no arbitrary distinction between registered firms and limited liability companies and other business firms should be made for the grant of this useful concession. The Committee trust their suggestion would be acceptable to the railway.

SITTING ACCOMMODATION ON THE PLATFORM OF HOWRAH STATION.

Extract from letter No AA-1/158/1, dated the 14th October, 1939, from the East Indian Railway to Mr. Kanailal Jatia.

Sitting accommodation on the platforms at Howrah Station.

Further to letter No. C.-21820 dated the 28th September 1939 from the Agent and General Manager, Bengal Nagpur Railway to your address, I am directed to say that the complaints made by the Rice Merchants Association have been looked into. It is not a practicable proposition to provide any more benches than there are at present on the platforms at Howrah. as this would only lead to obstruction on the platforms and would be a definite disadvantage to passengers.

The requirement of waiting passengers has however been carefully considered and arrangements are being made to provide garden benches as well as fans in certain specific areas where passengers can wait with comfort. There are certain spaces between the long channels leading on to platforms which can very well be used as regular spaces for waiting passengers. Experiments have been carried out for some months to keep the concourse clear by guiding waiting passengers on to these areas and this experiment has proved successful. These are the areas where additional benches will be provided as well as fans. This will

add considerably to the comfort of passengers waiting for trains at Howrah Station.

PREFERENTIAL SUPPLY OF COAL WAGONS TO COTTON MILLS.

Letter No. 7, dated the 2nd January, 1940, from the Chamber to the Coal Wagon Supply Committee.

The attention of the Committee of this Chamber has been drawn to the correspondence passed between your Committee and the Mohini Mills Ltd., Kushtia Bazar regarding coal wagon supply. The Committee learn that the stocks of coal with the Mills are exhausted and if further supplies are not immediately available, the Mills would be compelled to close down for a time. They would be glad, therefore, if you will kindly arrange as soon as possible adequate supply of wagons for transport of coal to the Mills.

Copy of letter No. 709, dated the 6th January, 1940, from the Coal Wagon Supply Committee to the Chamber.

With reference to your letter No. 7 dated the 2nd January, 1940, I am directed to inform you that Cotton Mills are not entitled to preferential supplies in times of short supply of wagons.

I am, however, to add that arrangements have been made to restrict supplies on account of Loco and Public Utility concerns on Tuesdays and Fridays each week in order that more wagons may be available for public loading and I am to request that the Mohini Mills may be advised to avail of this opportunity for obtaining their supplies.

SHORTAGE OF WAGONS FOR TRANSPORT OF LIME ON THE G. I P RAILWAY.

Letter No. 2639, dated the 28th December, 1939, from the Chamber to the G. I. P. Railway.

The attention of the Committee of this Chamber has been drawn to the difficulties experienced by a number of sugar factories owing to serious shortage of wagons for the transport of lime from some of the centres like Katni, Jukehi, Satana on your railway. The Committee would point out that lime is an important requirement in the manufacture of sugar and as the crushing season has now started, such a shortage in the supplies of lime is placing the sugar factories to a considerable handicap and consequently to losses. As you will appreciate sugar industry is a seasonal one and sugar manufacture is a continuous process and any disturbance in the same causes considerable hardship not only to the factories but also to the cultivators and the labourers. The Committee would also point out that due to the suc-

cessive short crops in the last few years as also to the international situation at present, supplies of sugar to the public are greatly restricted and if any further difficulty is experienced due to shortage of wagons for transport of lime, the Committee are afraid that there will be a serious shortage in the country of this article of daily necessity.

In view of the importance of the matter to the industry, the Committee would therefore request you to kindly take early steps to ensure adequate supply of wagons for the carriage of lime which is an essential requirement for the manufacture of sugar.

An early reply will oblige.

CHANGE OF THE NAME OF DEHRI-ON-SONE STATION TO DALMIANAGAR.

Copy of letter No. AAI/149/II, dated the 7th December, 1939, from the East Indian Railway to the Chamber.

Change in the name of Dehri-on-sone to Dalmianagar.

With reference to your letter No. 2429,* dated 30th November 1939, I am directed to say that the General Manager has considered the above proposal carefully but regrets that he cannot agree to any change in the name of this station.

ORGANISATION.

QUESTION OF CO-OPTION OF THE RETIRING PRESIDENT OF THE FEDERATION.

Letter No. 1164, dated the 19th June, 1939, from the Chamber to the Federation of Indian Chambers of Commerce and Industry.

I am directed to refer to a joint letter No. 72/39 dated the 19th May 1939 addressed on behalf of the Karachi Indian Merchants' Association and the Buyers and Shippers Chamber, Karachi, to the President of the Federation on the subject of co-option on the Committee of the Federation for the current year of Mr. Jamshed N. R. Mehta, who was the President of the Federation last year. The Committee are not aware of all the circumstances in which Mr. Mehta was not co-opted but they consider it regrettable that the practice of having the retiring President in the Committee for the following year, which has, to their knowledge, been invariably followed in the past in the Federation, should not have been observed at the time of the formation of the current year's Committee. The Committee feel that this practice is desirable for reasons which are too obvious to need mention and suggest that it should be adhered to in future. They also suggest that,

*Not printed.

if possible, Mr. Jamshed Mehta should be co-opted for the current year also.

Copy of letter No. F.-1289, dated the 25th July, 1939, from the Federation of Indian Chambers of Commerce and Industry to the Chamber.

Re: Non-cooption of the retiring President.

With reference to your letter No. 1164, dated the 19th June, 1939, I am enclosing a copy of the letter addressed to the Karachi Indian Merchants' Association, Karachi and the Buyers and Shippers Chamber, Karachi, on the above question.

Copy of letter No. F.-1257-1258, dated the 18th July, 1939, from the Federation of Indian Chambers of Commerce and Industry to the Karachi Indian Merchants' Association and the Buyers & Shippers Chamber, Karachi.

SUBJECT: Non-cooption of the retiring President.

With reference to the joint communication dated the 19th May, 1939, addressed by your Association and the Buyers & Shippers Chamber, Karachi/Chamber and the Karachi Indian Merchants' Association, Karachi on the above subject, I am directed to inform you that the Committee of the Federation considered this question at their last meeting held in Calcutta on 9th July, 1939. The Committee have desired me to point out at the outset that there has not been any convention in existence regarding the co-option of the retiring President on the succeeding Committee It may further be pointed out that during the course of the last 12 years, only on one occasion, the retiring President was co-opted to the Committee On two occasions, the retiring Presidents were not co-opted, while on nine occasions, they were re-elected to the succeeding Committees. The Committee, before considering the principle involved in the question raised by you, decided that the personal issue connected therewith should not be the subject of any consideration. Regarding the question of laying down the principle that the retiring President, if not re-elected on the Committee, should be co-opted, the Committee of the Federation came to the decision that it was not desirable for the Member-bodies to discuss the manner in which the right of co-option was utilised by the Federation Committee, as the discretion of the Committee in the matter of co-option should not be restricted. On similar grounds, the Committee felt that there should be no convention laid down as regards the co-option of the retiring President on the succeeding Committee.

As it appears that you have forwarded a copy of your joint communication to all the Member-bodies of the Federation, a copy of the

Committee's decision is being circulated to all Member-bodies for their information.

MISCELLANEOUS.

CONFERENCE REGARDING UNIFORM LINSEED AND GROUNDNUTS CONTRACT.

Copy of letter No. 1004(6), dated the 3rd March, 1939, from the Senior Marketing Officer, Bengal to the Chamber.

Adoption of Standard Linseed Contract.

I have the honour to address you on the above subject

The question of bringing a uniformity in the terms of Linseed Contract both for "Futures" and "Ready Delivery" has been engaging the attention of the Marketing Department of the Government of India and three Conferences of the representatives of Trade Associations and Chambers of Commerce from all over India have already been held and a fair amount of agreement reached in other parts of India and also partly in Calcutta.

It is, however, desirable that all interests concerned should come to an agreement and points of variance agreed to.

Enclosed with this letter please find three copies of the Basis of Standard Linseed Contract as agreed by the Third Conference held at Delhi on the 14th April 1938 for your information

It is now proposed to hold a Conference of all interests concerned in the matter in Bengal and the Hon'ble Minister for Agriculture has kindly consented to preside over the Conference on Saturday the 18th March, 1939, at 3 P.M. The Conference will be held in Room No. 31 on 1st Floor of the Writer's Buildings

You are requested to nominate not more than two members of your Chamber as your representatives to the above Conference whose names may please be communicated as early as possible.

An acknowledgment of this letter is requested.

ORGANISATION OF AN INDUSTRIAL MUSEUM IN CALCUTTA.

Copy of letter No. 26460(4), dated the 6th January, 1939, from the Director of Industries, Bengal to the Chamber.

The Government of Bengal have decided to organise an Industrial Museum for a permanent and effective exhibition of the Industrial products of this Province along with the raw materials and machinery used by the factories and cottage industries operating in this country. The Department of Industries has already set about the task of completing necessary preliminaries in connection with the organisation of the

Museum and has rented for the purpose a commodious hall on plot No. 56 Chittaranjan Avenue with an excellent frontage and 3 separate approaches converging on the Esplanade. In the organisation of the Museum it is contemplated, tentatively, to have 3 different sections, of which the first will contain a collection of industrial raw materials available within the country or imported from outside; the second will contain a collection of industrial products turned out by manufacturers within the country as well as various types of machinery used by them, while the third will devote itself to the representation of informative, graphical and statistical charts showing the progress of our achievements in various lines of industry. To each of these sections it is proposed to attach an efficient staff well conversant with matters and problems falling within its scope so that the Museum may function as an effective clearing house of industrial information.

2. For some years in the past I had been urging upon Government of Bengal to organise an Industrial Museum for various kinds of industries—big, medium-sized and small operating in this Province, not only because I felt that such an institution constitutes a necessary and important link in the chain of activities of the Department placed in my charge but also because it became more and more evident to me that through such an institution alone could my Department cope with facility and success the ever-increasing number of commercial enquiries received by it, particularly in regard to the requirements and Products of the industries of this Province. I venture to hope that in so far as the supply of such information to enquirers in and outside India is a matter of interest to the commercial community the decision of the Government in favour of organising the industrial museum will meet with the approval and support of your Chamber also.

3. I need hardly stress that the efficiency and success of the Museum will depend to a very large extent on its equipments which will again depend largely on the co-operation of the members of the commercial community and their readiness to take advantage of the services proposed to be offered by my Department through the Museum. Your Chamber can, I think, contribute very materially to the success of the Museum as your members are people likely to be most interested in it. In case, therefore, the scheme of the Museum is approved by your Committee may I not request you to circulate the outlines of the scheme amongst your constitutents with a request to lend their co-operation to this Department by presentation of their exhibits, models and charts for display at the Museum. I may point out in this connection that for enhancing the practical utility of the Museum my Department will from time to time invite suggestions from your Chambe for desirable improvements.

4 My Department at present has been addressing itself to the settlement of necessary details in regard to the classification of exhibits, manner of display, rent chargeable to exhibitors etc I may, however, add that in the settlement of these details due regard will be paid to the requirements of the industrialists and that the rent will be fixed and maintained at a very moderate level. In case you consider it necessary to have further information to get your members sufficiently in this scheme the Marketing and Publicity Officer of this Department will be glad to call at your Office by previous appointment and explain matters

Looking forward to your co-operation and support.

Letter No 54, dated the 16th January, 1939, from the Chamber to the Director of Industries, Bengal

I am directed to refer to your letter No 26460(4)G dated the 6th January 1939 regarding the organisation of an Industrial Museum for a permanent exhibition of the Industrial products of the province The Committee have gone through the scheme of the Museum as described in your letter and are of the opinion that such an exhibition if properly representative of the various Industries will contribute to a great extent in disseminating industrial information in the Province I am to add that the proposal will be circulated to all the members of the Chamber.

Inclusion of Benares in the Schedule of Air Services between India and England

Letter No. 913, dated the 17th May, 1939, from the Chamber to the Imperial Airways, Ltd

I am directed by the Committee of the Indian Chamber of Commerce, Calcutta to invite your attention to the desirability of including Benares in the schedule of your regular services between India and England. Benares, as you are no doubt aware, is a very important place of pilgrimage of Northern India besides being a very large and important town of the United Provinces. The absence of an air link from Benares over the direct route between Calcutta and Delhi is therefore sometimes keenly felt The Committee are sure that if Benares is included in the schedule of your regular trans-continental service, sufficient traffic will be forthcoming.

Even if it is not possible at present to make a halt at Benares in respect of all the five services every week to and from Calcutta *via* Delhi, it is suggested that an experiment should be made by providing a halt at Benares for at least two services every week. The Committee

understand that facilities for landing are available at Benares but in case these are not readily available perhaps sea planes could make a landing on the river Ganges.

The Committee hope that you will kindly consider the suggestion carefully and arrange for the inclusion of Benares as a halting station in respect of your regular services between India and England

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Copy of letter No L/1/14/3100/C, dated the 6th June, 1939, from the Imperial Airways Limited to the Chamber.

We have to acknowledge receipt of your letter No 913 dated the 17th May in which you drew our attention to the desirability of making Benares a regular port of call for our services operating between India and England.

We appreciate the points which you have put forward in this connection, but we doubt whether it would be possible for operational reasons to adopt your proposal. We are, however, looking further into the matter and will communicate with you again on the subject in due course.

INFORMATION TO BE INCLUDED IN THE 1941 CENSUS.

Copy of letter No. 45/13/39-Pub , dated the 11th April, 1939, from the Government of India to the Provincial Governments (copy forwarded to the Chamber by the Government of Bengal).

I am directed to say that the general scheme of the Census of 1941 is at present under consideration, and that the Government of India would be glad to be furnished with any views that Provincial Governments may wish to urge regarding the nature of the information to be collected thereat.

2. The Government of India have arrived at no definite conclusion as to the exact contents of the schedule to be filled in by enumerators, and this will be finally decided after a conference of Superintendents of Census Operations, which it is proposed to hold in January 1940. But the Census Commissioner has suggested that certain information hitherto included should be omitted at this census and, on the other hand, certain additional information should be added or that the information to be collected should be amplified to make it more useful. The matter to be omitted is tabulation of caste and infirmities. The additional matter suggested is indicated in the brief note* attached to this letter.

The exclusion of caste is the most important of these questions, since the volume of work which the tabulation of statistics of caste entails is very considerable and will add very considerably to the cost of the

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*Not printed.

census. Further, the Government of India is inclined to attach importance to the increasing body of opinion which is opposed to the tabulation of caste on grounds of general principle

As regards infirmities, the experience of the 1931 census was that the table of infirmities was so defective as to be of little statistical value · the matter is referred to in Part I, Vol. I, Chapter VII of the 1931 Report.·

3. While the need for economy is an overriding consideration, the Government of India are not averse to including in the Schedule such further information as would be of general value, but which will not add materially to the cost of the census, and would be glad to be favoured by the 1st July, 1939 with the opinions of the Provincial Government and of such authorities as they may wish to consult in this connection.

Letter No. 912, dated the 17th May, 1939, from the Chamber to the Government of Bengal, Department of Commerce and Labour (Commerce).

Re: Census operations in 1941.

I am directed to refer to your Memo. No 1422(25)-Com. dated the 5th May 1939* on the above subject enclosing therewith copy of a letter No. 45/13/39-Pub. dated the 11th April 1939 from the Government of India, Home Department for the views of the Chamber. The Committee would like to point out at the outset that this memo. was received in the Chamber's office only on the 8th instant and the last date for the submission of replies being the 15th instant, it was not possible for the Committee to submit the views in time. The Committee note that although final decision in the matter will be taken after the conference of superintendents of census operations, which, it is proposed, to hold in January 1940, the Census Commissioner has suggested the omission of certain information hitherto included in the census and the inclusion of certain additional information. It would have greatly facilitated the consideration of the matter if a copy of the schedule as used in the last census would have been enclosed.

As regards omission of the tabulation of caste, the Committee are agreeable to the suggestion but as regards the tabulation of bodily infirmities, the Committee are of opinion that the tabulation of such contagious diseases like leprosy, is essential in the interests of public health, inasmuch as in the absence of such statistics, the work of both cure and prevention of the spread of the disease would be handicapped. The Committee have considered the remarks made in the 1931 census report about the difficulties in the tabulation of infirmities but they are of opinion that the tabulation of infirmities like blindness for

example, should not entail any very great difficulty It is possible that there may be a few doubtful cases but difficulty with regard to such few cases should not stand in the way of the tabulation of the information which would be very useful from the point of view of public health The Committee note that "economy is an over-riding consideration" to the Government of India, but they do not approve of economy being effected at the expense of the omission of such useful information, while on the other hand the inclusion of further details regarding housing are proposed to be included in the schedule.

Another important point which the Committee would like to emphasise in this connection is the desirability of having statistical information with regard to unemployment in the country. The Committee note that columns 11 and 12 relate to certain information regarding "means of livelihood" and employment but they are of the opinion that a more direct and simple question whether the person is "employed or unemployed" should also be included and unemployment statistics tabulated separately in the report The Committee need hardly emphasise that the problem of unemployment has recently been engaging the attention of the public as well as the Central and the Provincial Governments and it is essential that unemployment statistics, even if they are approximate, should be made available.

The Committee trust that their views will receive careful consideration by the Government.

Substitution of Cotton bags for Jute bags in the United States of America

Letter No 453, dated the 7th March, 1939, from the Chamber to India Government Trade Commissioner in New York.

Certain members of the Chamber interested in the trade of gunnies have been informed by their constituents in the United States of America that there is a move in that country for increased substitution of jute bags by cotton bags particularly in view of the recent increase in the prices of gunnies and large stocks of cotton being available in America I am, therefore, directed to request you to kindly let me know whether there is any substance in the rumour. I shall appreciate as much information on the point as available.

Thanking you,

Copy of letter No. 51-A, dated the 12th May, 1939, from the India Government Trade Commissioner, New York to the Chamber.

Kindly refer to your letter No. 453, dated March 7, 1939, in which you have asked me to let you know whether there is any substance in

the rumour that there is a move in the United States of America for increased substitutes of Jute bags by Cotton bags. I am enclosing herewith copies of a couple of articles* that have appeared recently in the Press These will give you an idea of the efforts that are at present being made both by the Administration and by the cotton industry to bring about the use of cotton bags in preference to other textile and paper bags. As you are no doubt aware, there are very considerable accumulations of raw cotton in this country and the Government itself holds over 11,000,000 bales on which it has advanced loans to farmers. So long as the present stock position continues we may expect continued efforts for finding new uses for cotton.

There is no doubt that these efforts have been meeting with a considerable amount of success The price factor is undoubtedly a most important one and here again the low price of cotton is helpful in advocating the use of cotton as a substitute for other textiles. The general feeling, however, among the Burlap interests, with whom I have discussed this question from time to time, is that at present the danger to Burlap is not so much from cotton as from paper, which is being used to an increasing extent for the manufacture of bags which hitherto have been made either of cotton or Jute.

Unfortunately it is not possible to gauge with any degree of accuracy the extent to which cotton is taking the place of jute for the making of bags. We have, however, as a rough guide, the figures of the consumption of Burlap in this country and can get an idea from them. The Trade estimates that approximately 80% of the Burlap used in the United States of America is for the manufacture of bags. I give below the monthly figures of Burlap consumption in this country from January 1938 to April 1939 You will see from these figures that for the first four months of the present year the consumption of Burlap has been 234,000,000 yards as against 236.000,000 yards last year.

1938	Yards.
January	57,000,000
February	62,000,000
March	65,000,000
April	52,000,000
May	47,000,000
June	50,000,000
July	48,000,000
August	58,000,000
September	66,000,000
October	68,000,000
November	58,000,000
December	60,000,000

1939			Yards.
January	...	...	.. 61,000,000
February	...	...	.. 53,000,000
March	.	.	.. 66,000,000
April	...	...	.. 54,000,000

STATISTICS OF RETAIL PRICES OF SALT IN INDIA.

Copy of letter No. 4687, dated the 10th June, 1939, from the Director-General of Commercial Intelligence and Statistics to the Chamber.

Statistics of Retail Prices of Salt in India

I write to invite a reference to the fortnightly statements of retail prices of salt in India, which are regularly published in the Indian Trade Journal (*vide* pages 1015-17 of the issue dated the 25th May, 1939). It has been suggested that the publication of these statements in the Indian Trade Journal which do not seem to be very useful to the Commercial bodies, may be discontinued as a measure of economy. I shall be obliged if you will kindly let me know if your Chamber has any objection to the above proposal.

Letter No. 1178, dated the 19th June, 1939, from the Chamber to the Director-General of Commercial Intelligence and Statistics.

I have to invite reference to your letter No. 4687 dated the 10th June 1939 regarding fortnightly statements in the *Indian Trade Journal* showing retail prices of salt in India I have to state that the Committee have no objection to the proposal to discontinue the publication of the same.

STATISTICS RELATING TO EXPORTS AND RE-EXPORTS OF COTTON PIECE-GOODS.

Letters Nos 1072 & 1073, dated the 30th May, 1939, from the Chamber to the Economic Adviser to the Government of India and the Deputy Director of Statistics

I have to invite your attention to the section dealing with the cotton manufacture in the "monthly survey of business conditions in India" issued by the Statistical Research Branch. The Committee feel that in addition to the statistics about the monthly production of cotton piece-goods in India and the imports of cotton piece-goods into British India, the figures of cotton piece-goods of Indian manufacture exported and of imported piece-goods re-exported should also be given. These additional statistics the Committee believe will help in giving an idea of the correct position about the imports and

exports as also of stocks of piece-goods in the country. The Committee trust their suggestion will be found acceptable by you.

Copy of letter No. 1074,-S R., dated the 20th June, 1939, from the Economic Adviser to the Government of India to the Chamber.

Publication of additional information relating to Cotton Piece-goods in the Monthly Survey of Business Conditions in India.

With reference to your letter No 1072 dated the 30th May, 1939 on the above subject and your letter No. 1073 of the same date and subject, addressed to the Director-General, Commercial Intelligence and Statistics and transferred by him to this office, I write to say that for the purpose of giving a fully accurate idea as to the trade conditions (exports, imports and re-exports) of Cotton Piece-goods in India it is necessary to show exports and re-exports of Cotton Piece-goods across the land frontiers of India in addition to the figures of trade by sea. You must be aware that the land frontier trade statistics of India are not published simultaneously with the sea-borne trade statistics but much later Moreover complete statistics of re-exports of cotton piece-goods by land route are not available. In the circumstances, it is not possible to include in the Monthly Survey of Business Conditions in India complete statistics of exports and re-exports of cotton piece-goods from India so as to present a fully correct picture of the export, import and stock position as contemplated by your Committee.

Letter No 1242, dated the 27th June, 1939, from the Chamber to the Economic Adviser to the Government of India.

I am directed to acknowledge receipt of your letter No. 1074-S.R. dated the 20th June, 1939 regarding publication of additional information relating to cotton piece-goods in the Monthly Survey of Business Conditions in India. The Committee are aware that the Land Frontier Trade Statistics of India are not published simultaneously with the Sea-borne Trade Statistics but are published somewhat later and that the complete statistics of re-exports of cotton piece-goods by Land Routes are not available The Committee would however point out that even if the Sea-borne Statistics of exports and re-exports of cotton piece-goods are given, it would prove very useful to the interests concerned. So far as the exports and re-exports by Land Routes are concerned such figures may be given as are available every quarter or every half-year. Even if a fully correct picture of export and import or stock position of piece-goods in India cannot be given the Committee feel that the usefulness of the statistics published in the Monthly Survey of Business Conditions in India can be much enhanced

if a general idea of the position of imports and exports of piece-goods is available. The Committee therefore hope that the suggestion made by them will be acceptable. An early reply is solicited.

Copy of letter No 1157-S.R., dated the 11th July, 1939, from the Economic Adviser to the Government of India to the Chamber.

Publication of additional cotton piece-goods statistics in the Monthly Survey of Business Conditions in India.

With reference to your letter No. 1242, dated the 27th June, 1939 on the above subject, I write to inform you that as desired by your Committee it has been decided to include statistics of monthly exports and re-exports of cotton piece-goods by sea in the above publication with effect from its June 1939 issue.

It is not, however, advisable to include statistics of exports and re-exports of cotton piece-goods by the land-frontier routes inasmuch as such statistics, whether monthly, quarterly or half-yearly, will always be incomplete and lagging behind other foreign trade figures shown in the Survey in respect of time.

Copy of letter No. 1234-S.R , dated the 26th July, 1939, from the Economic Adviser to the Government of India to the Chamber.

Publication of statistics relating to exports and re-exports of cotton piece-goods in the Monthly Survey of Business Conditions in India.

With reference to the correspondence resting with your letter No. 1379 dated the 17th July, 1939* on the above subject, I have the honour to enclose two statements* giving figures of exports and re-exports of cotton piece-goods from British India In my last letter I had agreed to publish both these statements in the Monthly Survey. Figures of exports of cotton piece-goods from India will certainly be published in the Survey as soon as possible but as regards re-export figures you will see from the table that the monthly exports as well as the annual exports are negligible and not of any significance in relation to the total imports of piece-goods into India. I am not therefore inclined to publish these figures in the Monthly Survey but before I decide finally I should like to have your views on the point.

Letter No. 1752, dated the 25th August, 1939, from the Chamber to the Economic Adviser to the Government of India.

I have to invite reference to your letter No 1234-S.R. dated the 26th July 1939 regarding publication of statistics relating to exports and re-exports of cotton piece-goods in the Monthly Survey of Business

*Not printed.

Conditions in India The Committee note that figures of export of cotton piece-goods from India will be included in the Monthly Survey as soon as possible but that as regards the re-export figures it is felt that as the same are negligible they may not be included. The Committee would however point out that these re-exports figures though negligible should be mentioned in the Monthly Survey as the business community interested in cotton piece-goods will not by itself be able to know that these figures are negligible and are not included on this account. The Committee feel that if these figures are omitted the cotton statistics will apparently look incomplete and they would therefore suggest that the re-export figures, however negligible, should be mentioned along with the other statistics.

Copy of letter No. 1534-S R , dated the 29th September, 1939 from the Deputy Director of Statistical Research, Government of India to the Chamber.

SUBJECT : Publication of additional statistics relating to cotton piece-goods in the Monthly Survey of Business Conditions in India.

With reference to your letter No 1752 dated the 25th August, 1939 on the above subject, I write to inform you that as suggested by your Committee, it has been decided to publish statistics of both exports and re-exports of cotton piece-goods from India, in the Monthly Survey with effect from 1st September 1939 issue.

FIXING MINIMUM PRICES FOR JUTE AND REGULATION OF JUTE PRODUCTION.

Letter No. 1685, dated the 15th August, 1939, from the Chamber to the Government of Bengal, Department of Commerce.

I am directed to refer to the two communiques issued by the Government of Bengal on the 5th and the 11th instant regarding measures which they propose to take to stabilise jute prices and to the statement of the Hon'ble Mr. H. S. Suhrawardy, Minister for Commerce, Labour and Rural Reconstruction, Bengal, explaining the policy of the Government in the matter. The Committee have carefully considered the various statements issued on behalf of the Government as also the interests concerned on the subject and they are wholeheartedly in sympathy with the objective which the Government have set before themselves namely "to place the entire business of jute from the time of sowing to its sale, manufacture, export and futures dealings on a sound footing" and to ensure "a fair and reasonable price" to the agriculturist for his commodity. In their reply statement to the questionnaire issued by the Bengal Jute Enquiry Committee (1938), the

Committee had already expressed that they were in favour of a policy of scientific regulation of production by which they meant the adjustment of supplies to the estimated demands The only point which the Committee would like to stress in this connection is that whatever scheme of regulation is adopted, it should be such as will not affect the consumption of jute and jute goods in the world markets. Although the Committee are aware that it is difficult, at least for the present, to substitute jute products completely by another material, they would nevertheless like to point out that there is a definite limit beyond which any rise in the price of jute would affect world consumption. The Committee are however, glad to note from the statement of the Hon'ble Minister for Commerce that the Government are alive to this danger. The Committee may also mention that steps should be taken simultaneously to enable the grower to take to substitute crops when restriction of jute sowings is enforced.

As regards the fixing of minimum price for loose jute, the Committee feel that the question is a complicated and difficult one involving not only considerable financial commitments by the Government but also adiminstrative difficulties The Committee entirely agree with the Government so far as the objective of ensuring a fair price to the cultivator is concerned but they believe that with the scheme of scientific regulation in force, establishment of regulated markets and judicious control of the futures or futka markets, the necessity of the Government adopting this admittedly difficult measure, would not arise. Whereas. on the one hand the regulation of the jute crop will do away with one of the most important causes of slump in the price of jute namely an excessive supply, the establishment of regulated markets and provision of warehousing facilities will safeguard the agriculturist to a considerable extent against possible exploitation by the buyer. The adoption of these measures along with the judicious control and regulation of the futures or futka markets will, in the opinion of the Committee, go a long way in ensuring a fair return to the cultivator for his crop.

The Committee, however, realise that till the scheme of regulation of crop and the various other measures pointed out above become operative most of which perhaps cannot be put into effect before the 1940 season, some immediate action is necessary in order to protect the agriculturist from the consequences of the present slump in jute prices. The Committee note that the Government intend to take immediate action to fix minimum price of jute in the futka market. The situation is showing some signs of improvement owing to the firm attitude taken by the Government of Bengal but the Committee feel that the mere fixation of a minimum price in the futka market will not be adequate

unless the Government take simultaneous action to meet the situation which might arise as a result of the cultivator being forced to sell his crop out of sheer necessity at the prevailing low prices by either advancing loans against goods kept in stock or by declaring the Government's intention to buy jute at fixed price previously announced.

The Committee note that the Government are appointing at an early date a Committee of Enquiry to investigate into the question of futures markets and accordingly they reserve the expression of their views on this question for such time when the Enquiry Committee is appointed. They would, however, like to stress the desirability of an adequate representation on the Enquiry Committee of Indian commercial interests.

The Committee trust that the views expressed above will be given careful consideration by the Government in formulating their scheme for putting jute trade "on a sound basis."

Imports of unlicensed Rubber from Burma into India.

Letter No. 1741, dated the 24th August, 1939, from the Chamber to the Government of India, Department of Commerce.

The attention of the Committee of this Chamber has been drawn to the fact that the rubber planting interests in Burma have requested the Government of Burma to prohibit exports of unlicensed rubber to India so that Burma may obtain an addition to its rubber quota of 3 thousand tons per annum as provided by article 4(*b*) of the International Rubber Agreement. As the Committee learn that these imports of unlicensed rubber into India from Burma also handicap India in her quota of exports based on the International Agreement, they feel that the Government of India should represent to the Burma Government the necessity of their early arranging for a prohibition of such unlicensed rubber exports to India. The Committee understand that the United Planters' Association of Southern India have addressed a telegram to the Government of India on the subject. The Committee of this Chamber support the same.

Import duty on Cotton.

Telegram dated the 5th August, 1939, from the Chamber to the Government of India, Department of Commerce.

Committee Indian Chamber of Commerce invite attention to present deplorable condition of Cotton Textile Industry owing accumulation of stocks and low prices. Industry which was already adversely affected by Indo-British Trade Agreement securing larger share of Indian market for Lancashire and doubling of import duty

on raw cotton in last Budget further handicapped by competition from increasing imports of Japanese piece-goods and yarn. Only justification stated by Finance Member for doubling import duty on cotton was to balance and equalise estimated deficit in Budget of rupees fifty lacs. However Committee understand actual revenue realisations for 1938-39 substantially exceeded revised estimates. Customs receipts for current year also gone above budget expectations. Committee estimate total revenue from sugar would be about nine crores instead only 4¼ crores budgeted. Moreover revenue realised from increased cotton duty actually gone down during first quarter of present year instead of bringing extra sum. Under these circumstances Committee feel there is hardly any justification to continue increased import duty on raw cotton and urge immediate reduction at least to previous level.

RENEWAL OF CERTIFICATE OF APPROVAL FOR PROSPECTING MINERALS IN THE CENTRAL PROVINCES AND BERAR.

Letter No. 2536, dated the 9th December, 1939, from the Chamber to the Government of C. P. & Berar, Revenue Department.

The attention of the Committee of this Chamber has been drawn to the correspondence passed between your Government and Messrs. Dalchand Bahadur Singh regarding renewal of their Certificate of Approval for prospecting minerals. The Committee learn that though the Certificate has been granted to them from year to year from 1919, your Government have now declined to renew the same for the current year on the ground that Messrs. Dalchand Bahadur Singh had not made use of the Certificate during the past 20 years. The Committee would point out however that this contention does not appear to be true and they would refer to the various instances of mining operations and prospecting works carried out by the firm in your Province, which have been mentioned by Messrs Dalchand Bahadur Singh in their letter dated the 22nd May, 1939, addressed to your Government. The Committee further understand that the Geologists of the firm are on the lookout for several minerals and properties and they may expect to be advised at an opportune moment to commence mining operations in certain areas in your Province. The Committee are therefore afraid that if the Certificate of Approval is not soon granted to the firm, any operations that they might desire to begin might be unduly delayed and the firm would be put to considerable loss and disadvantage. In view of the importance of the matter, the Committee of the Chamber feel that the Certificate of Approval should be renewed as early as possible and they would therefore request you to kindly reconsider your decision in the matter An early reply will oblige.

Copy of letter No. 119-2069-XII-7939, dated 11th January, 1940, from the Government of the Central Provinces and Berar, Revenue Department to the Chamber.

SUBJECT : Certificate of Approval to Messrs. Dalchand Bahadur Singh.

With reference to your letter No. 2536, dated the 9th December 1939, on the above subject I am directed to say that the Provincial Government sees no reason to re-open the case.

INEQUITABLE SETTLEMENT PRICES FIXED BY THE INCORPORATED OIL SEED ASSOCIATION FOR FORWARD CONTRACTS IN GROUNDNUTS.

Telegram dated the 23rd November, 1939, from the Chamber to the Board of Trade, London.

Chambers Committee understand that Incorporated Oilseed Association want to fix much lower than market rates for settling forward contracts in groundnuts Such procedure very inequitable and will cause huge losses to buyers who have hedged in India against their purchases in London Committee therefore urge that you induce Oilseed Association not to fix inequitable settlement prices.

Telegram dated the 23rd November, 1939, from the Chamber to the Incorporated Oilseed Association, London.

Chambers Committee understand that your Association wants to fix much lower than market rates for settling forward contracts in groundnuts You will agree such course very inequitable and likely to cause grave misunderstanding in future. Besides such action will cause great losses to purchasers who have hedged in other countries. Committee strongly urge that settlements should be carried out at proper market rates.

Copy of letter dated the 27th November, 1939, from the Incorporated Oil Seed Association, London to the Chamber.

I beg to acknowledge the receipt of your cable as follows :—

(*Already printed*).

I have also received a copy of the cable which you sent to the Ministry of Food, *viz* :—

(*Already printed*).

These cables were received on the 24th instant but the Extraordinary General Meeting of this Association when the resolution was passed was held on the 16th instant. I enclose* herewith for your information a copy of the circular giving notice of this resolution.

Copy of telegram dated the 11th December, 1939, from the Ministry of Food, London to the Chamber.

Reference your telegram twenty-fourth November addressed Board Trade regarding alleged inequitable settlement prices fixed by Incorporated Oilseed Association for forward contracts in groundnuts Minister of Food regrets not in position to intervene

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Telegram dated the 25th November, 1939, from the Chamber to the Indian Trade Commissioner, London.

Chambers Committee understand that Incorporated Oilseed Association want to fix much lower than market rates for settling forward contracts in groundnuts. Such procedure very inequitable and will cause huge losses to buyers who have hedged in India against their purchases in London Committee therefore urge that you induce Oilseed Association not to fix inequitable settlement prices.

Letter No 2613, dated 22nd/27th December, 1939, from the Chamber to the Indian Trade Commissioner, London

I am directed to invite reference to my telegram dated the 25th November, 1939 regarding inequitable settlement prices fixed by the Incorporated Oil Seed Association for forward contracts in groundnuts. The Committee regret they have not as yet received any reply from you about the same. The Committee need hardly mention that merchants in India when placed in similar position have not made efforts to introduce such artificial settlement prices but have always honourably carried out their commitments though the prices, for example, of jute, hessian and cotton increased much more than that of groundnuts. The Committee therefore take strong exception to such artificial settlement and they would be glad if you will kindly enquire into the matter at an early date and induce the Oil Seed Association not to fix such inequitable settlement prices.

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*Not printed.

AMPLIFICATION OF INLAND TRADE STATISTICS.

Copy of letter No 2571(10)-Com , dated the 17th August, 1939, from the Government of Bengal, Department of Commerce and Labour to the Chamber.

I am directed to forward for information a copy each of the marginally noted documents relating to the question of amplification of inland trade statistics and to request that the Provincial Government may be favoured with the considered views of your Chamber on the various proposals contained in these documents I am to request that a reply may be sent so as to reach this Department not later than the 15th November, 1939

1. Letter from the Government of India, Department of Commerce, No.1-C(16)/37 dated the 10th July, 1939.
2. *Report of the Committee on amplification of Inland Trade Statistics; and
3. *Relevant extract from the Proceedings of the Tenth Industries Conference held at Bombay on the 23rd and 24th January, 1939.

Letter No 1-C(16)/37, dated the 10th July, 1939, from the Government of India, Department of Commerce to the Government of Bengal, Department of Commerce and Labour.

Report of the Committee on the Amplification of Inland Trade Statistics.

I am directed to invite a reference to this Department letter No. 1-C(16)/37 dated the 16th December, 1938 forwarding a copy of the Report mentioned above, and to request that the Government of India may be favoured with the detailed comments of the Government of Bengal, on the recommendations contained therein

2. It will be observed that the Commitee have estimated the total additional expenditure to be incurred as a result of their proposals at approximately Rs. 4 lacs per annum, and that they have suggested that the whole additional cost should, if possible, be met by the Central Government but with the remark that there is some justification for asking Provincial Governments to bear part of the additional cost if the Central Government is unable to meet the whole The Government of India are not at present able to regard the scheme as having sufficient urgency to justify their undertaking any additional expenditure until financial conditions have improved; but they recognise that it will not be possible for the Provincial Governments to discuss the proposal effectively unless they are given some indication of what the attitude of the Government of India will probably be when the financial conditions permit of their undertaking increased expenditure. Their present view is that when that time comes the total estimated expenditure amounting roughly to Rs 6 lakhs, which includes the existing cost (about Rs 2 lakhs) of compiling these statistics should be shared

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*Not printed.

equally between the Government of India on the one hand and the Provinces on the other. On this basis the share of the Government of India would be about Rs. 3 lakhs (or about one lakh more than they are spending at present) and this is the maximum which they would be prepared to contribute towards the financing of the scheme. I am to express the hope that if the Provinces desire amplification of the statistics in question on the lines recommended by the Committee, they will be prepared collectively to contribute their moiety of the cost. The basis of allocation of the latter among the Provinces individually would have to be considered further in due course. But I am to invite your attention in this connection, to the discussions at pages 48-53 of the 'Proceedings of the Tenth Industries Conference' a copy of which has already been sent to you.

Letter No. 2267, dated the 26th October, 1939, from the Chamber to the Government of Bengal, Department of Commerce and Labour.

I am directed to invite reference to your letter No. 2571(10)-Com. dated the 17th August 1939 regarding amplification of inland trade statistics. The Committee note that the question of extending the Raw Cotton Trade Statistics, the Monthly Accounts relating to the Inland Trade of India, and the Weekly Arrivals and Despatches of Staple Commodities into and from selected trade centres, has been engaging the attention of the Government of India since a long time. The Committee further note that the Government of India appointed a Committee in 1937 to enquire into the question and this Committee recommended that the number of commodities included in the River and Rail Borne Trade Accounts should be increased from the present figure of 52 to 159. The Committee of the Chamber have considered the list of commodities mentioned in Appendix (1) of the Report of this Committee and they are in agreement with the recommendation that statistics relating to each of these commodities should be included in the River and Rail Borne Trade Accounts. The Committee further note that it was recommended by the Committee appointed by the Government that the territorial blocks for which statistics were recorded should represent not merely provinces and major ports but also smaller areas within each province. The Committee of the Chamber support the contention of the Government of Bengal at the Tenth Industries Conference that instead of the 6 different blocks into which Bengal had been divided, the number should be increased to 18 or 20 if the results obtained were to have any value. The Committee of the Chamber also agree that statistics of Indian and imported goods should be shown separately wherever possible particularly in those lines of trade in which Indian Industries are exposed to foreign competition.

The Committee note that the total additional expenditure to be incurred as a result of the proposals would be approximately Rs 4 lakhs per annum and that the Government of India do not consider the scheme sufficiently urgent at present to justify their undertaking additional expenditure The Committee however feel that the proposals should be put into effect as soon as possible as there is a great demand for more detailed statistics of Inland Trade, particularly with the introduction of Provincial autonomy when every Province is keen on developing industries The Committee are of opinion that the necessity of amplifying the statistics has considerably increased and they would suggest that the Government of India should undertake the same at an early date Regarding the share of the Provincial Governments towards the expenses, the Committee agree with the Government of Bengal that Provincial Governments should have no objection to contribute their share to the cost if the scheme is made more useful and comprehensive as suggested.

Presidential Speech of Mr. G. L Mehta, delivered at the First Quarterly General Meeting of the Indian Chamber of Commerce, Calcutta, held on the 26th May, 1939, at 4-30 p m., at the premises of the Chamber

GENTLEMEN,

I have pleasure in submitting to you the report of the work done by the Committee of the Chamber during the first quarter of the present year.

Since we last met three months ago, the uneasiness and uncertainty in the trade and markets of the world due to political factors have not disappeared but have, on the contrary, tended to grow. In the months that have passed since then, the international situation has steadily deteriorated, one crisis following another and causing widespread apprehension and general loss of confidence As Mr. J. M. Keynes, the eminent English economist, pointed out recently, it is neither war nor peace "but in this twilight, depression is inevitable".

The fact is that in those countries which are directly concerned in the struggle for power, rigid control by the State in the economic sphere has become imperative for war preparations. Production has to be regulated, raw materials have to be requisitioned, labour has to be mobilised, food supplies have to be stored and rationed. Countries like ours which are comparatively at a distance may not be required to have such regimentation. But owing to close economic inter-relationship and the highly sensitive nature of world markets, this uncertainty of the crisis period pervades all countries. In such a background, discussions about any long-range constructive economy assume a certain unreality. Nevertheless, we have to adjust our business policies and adapt our economic programmes to these prevailing conditions If a greater measure of national self-sufficiency is essential in order to improve the standard of life of the people, it is rendered all the more imperative by the economic tendencies and forces operating in the world today Economic conditions in the crisis period render necessary a more intensive and wider development of our own resources and our own home market. Few countries in the world possess such natural resources as India but which have hitherto been either neglected or exploited in the interests of foreigners. Whatever the limitations and drawbacks of the systems of planned economy, they have at least shown that deliberate and purposeful control of economic forces is possible, given clarity of thought, constructive ability and boldness in execution

The advent of popular ministries into office has made a difference which is psychological and those in authority feel some kind of social

obligation towards the people and the administration is beginning to realise that the maintenance and raising of the standard of living of the people is as much its concern as the preservation of law and order. While on the one hand, therefore, the provincial Governments have begun to survey and assist rural and cottage industries in order to supplement the meagre income of the cultivators, they have also concerned themselves with problems of rural indebtedness, welfare of industrial labour and other measures to improve the conditions of the people. No doubt, there have been wide and even sharp differences of opinion on some of these measures as was bound to be the case where not only opinions but economic interests clashed I do not propose to deal here with those controversial issues but there is no doubt that representatives of Indian commerce have a useful and at times decisive part to play in the consideration of these issues which have such a vital bearing on the economic and commercial life of the people

As there was a feeling that the problems of economic development of the country needed concerted and planned endeavour, a National Planning Committee was appointed by the Congress last year Several Provincial Governments, including that of Bengal, have also appointed their own enquiry committees Political autonomy, however circumscribed and limited, would be of little value and significance unless it led to the economic betterment of the country Any scheme of comprehensive planning is, of course, not completely possible unless the Central Government is responsible to the people, whose representatives should be able to control the fiscal, currency, credit and transport policy of the country Moreover, our vital economic interests have been subordinated to those of Britain and in the new Constitution, the adoption of a national economic policy designed to protect and promote Indian interests is rendered difficult, if not impossible, through the financial and commercial safeguards Nevertheless, it is wise to utilise all available opportunities for the economic and industrial regeneration and reconstruction of the country. Your Committee have been considering the questionnaire issued by the National Planning Committee as well as by the Bengal Industrial Survey Committee and are communicating their considered views in the matter

One of the outstanding events during the quarter not only with regard to its actual effects on trade and industry but also in respect of the issues of principle involved in the question, was the imposition of the new Indo-British Trade Arrangement—and not Agreement—on India. I cannot help observing that the main object underlying the whole arrangement appears to be to assist Lancashire to regain some of its lost market in India at the expense of the indigenous textile industry. In moving the Resolution on trade treaties with foreign

countries at the last annual session of the Federation of Indian Chambers of Commerce at Delhi, Sir Purshotamdas Thakurdas who was the Chairman of the unofficial advisers, stated that when the Indian Delegation went to London they were distinctly told that if India desired a trade treaty with Britain, Lancashire must be satisfied It has been contended that the fact that the neogiations were protracted shows the absence of any kind of political pressure on India But by prolonging the negotiations for about three years, Britain was in no sense a loser since all the time she was enjoying the Ottawa concessions which were kept in force by the Government of India through an executive order in disregard of the decision of the Assembly asking for the immediate termination of the Ottawa Agreement Moreover, Britain was free and did modify the preferences during the pendency of the negotiations whenever it suited her interests while negotiations for trade agreements between India and other countries were held up on the ground that they could not be taken in hand until after the conclusion of the Indo-British Trade Pact The manner in which political relationship affected the question of Indo-British trade relationship is also evident from the imposition of the increased duty on raw cotton imports just on the eve of the conclusion of the Trade Agreement. If the Finance Member of the Government can decrease the protection to the Indian industry and increase the preference to Britain on financial grounds, the object of a trade agreement seeking to establish relationship between Indian and British industries is to that extent undermined and frustrated Indeed, the manner in which the Tariff Bill giving effect to the new Trade Agreement was certified by the Governor-General despite its repeated rejection by the Central Legislative Assembly and its denunciation by representative Indian commercial and public opinion shows more than any arguments or allegations the subordinate character of the Government of India. No national Government would have proceeded to give effect to its provisions after its rejection by the representatives of the people.

This action of the Governor-General in certifying a tariff measure is unprecedented and open to grave objection. If the Agreement is, as contended by its supporters, in the economic interests of India, the opinion of the overwhelming majority of the elected representatives of the Indian people in the Central Legislature should have been considered decisive and their verdict respected. A convention had, in fact, already been in existence that trade agreements should be ratified by the Indian Legislature in order to be binding on India. The Fiscal Commission had also laid down that no preference should be granted on any article without the approval of the Indian Legislature. But in the present instance, a series of preferences including the most

objectionable of them to the cotton textile industry will be imposed on India in complete disregard to the explicit opinion of unofficial Advisers appointed by the Government of India themselves as well as of the Central Assembly. This is a serious inroad into fiscal autonomy But if the British textile interests believe that they can take advantage of the political relationship with India to obtain a market here, they should realise that no benefits can accrue to them by thus antagonising Indian public opinion and feelings. There is an old English saying that you can take a horse to a water trough but you cannot make it drink. And it is possible to bring goods into the country through trade pacts imposed by means of political pressure but it is not possible to sell them without the good will of the people Such imposition of a trade agreement can only result in the estrangement of Indian opinion.

The question of our future trade relationship with another important country is now under consideration The existing Indo-Japanese Trade Protocol expires at the end of March 1940 and the Government of India are examining the position in order to conclude a fresh agreement with Japan It is understood that, as at the time of the previous negotiations, the Government of India will invite unofficial Advisers to assist them in the actual negotiations with the representatives of Japan. I would, however, like to invite your attention to one or two important points involved in this question. The existing Indo-Japanese Trade Protocol, as you know, is confined to stipulations regarding the exchange of cotton and cotton piece-goods between the two countries. The imports from Japan, however, cover a wide range of manufactured articles, the imports of piece-goods forming only about 30% of the total imports. These 'miscellaneous' imports from Japan have literally flooded the Indian market and hit many of our small and minor industries, whether old or newly established It is also necessary that the range of our export trade with Japan should be widened. For, apart from other reasons, I may point out that the hold which Japan has come to acquire over various parts of China particularly over Manchukuo in the north, gives her an alternative source of the supply of raw cotton and it would be inadvisable on our part to rely upon or to negotiate only on the basis of the export of raw cotton. It is, therefore, imperative that the new trade agreement which may be concluded with Japan should include within its scope the entire trade between the two countries. Indeed, it was as far back as 1933 that the attention of the Government of India was drawn to the plight of many of India's small industries as a result of competition from Japan. But the Government did not agree then to bring this question within

the scope of the trade negotiations with Japan. I hope that this time the Government of India will rectify this omission.

Another important aspect of the Indo-Japanese trade relations which should be brought within the purview of the impending trade negotiations with Japan is that of shipping employed in the trade As you are aware, gentlemen, the entire present trade between the two countries is carried on non-Indian bottoms The Imperial Shipping Committee has recently published a report with regard to the British Shipping in the Orient in which they point out how Japanese shipping has come to capture most of the trade between India and Japan. The use of trade agreements as an instrument for ensuring a share in the carriage of the goods for the shipping of the country which provides the market is now a recognised practice The Anglo-Soviet Trade Treaty of 1936 and the British Government's agreement with Lithuania are instances in point Indeed, the British shipping interests demanded during the last Indo-Japanese Trade Negotiations in 1936 that advantage should be taken of those negotiations to safeguard the participation of British shipping in this sphere of maritime trade. The Government of India, however, rightly turned down this claim on the ground that the so called "Empire" or British shipping concerned in this trade did not include Indian shipping It need hardly be pointed out that if opportunities are provided by giving a reasonable share of the trade to Indian shipping, and Indian ventures are prevented from being exterminated through uneconomic competition, the requisite tonnage would be available for the purpose of this maritime trade The Imperial Shipping Committee also recognise in their report that "the aspirations of India to enter into the field of shipping operations are natural and should be fairly met in a co-operative spirit by the United Kingdom lines". I may submit that the present negotiations provide a suitable opportunity to British shipping for showing such a co-operative spirit and for the Government of India to implement their policy about assisting the participation of Indian shipping in the overseas trade of the country It is essential, therefore, that provision should be made in the new Indo-Japanese Trade Agreement for the participation of Indian shipping in the Indo-Japanese maritime trade which, so far as raw cotton is concerned emanates from India and so far as piece-goods are concerned depends on India's markets.

Trade negotiations with Britain have prevented the Government of India taking up the question of trade pacts or arrangements with other countries but now that these negotiations are out of the way, it is hoped that Government will take up immediately the question of having trade agreements or arrangements with other countries such as the U. S. A , Germany, Canada, Australia and other countries.

Trade negotiations with Ceylon are also pending and the question of the renewal of the Indo-Burma Trade Convention is under the consideration of the Government It is essential that in all such trade negotiations representative Indian commercial opinion should be consulted at every stage and that such trade agreements before they are finally concluded should be subject to ratification and approval of the Central Legislature. Moreover, trade agreements should include within their scope such questions as reciprocal rights of citizenship, travel, residence, navigation etc Provisions in regard to such rights are a normal feature of trade agreements entered into between European countries The status of Indian nationals and citizens should be a vital part of a trade agreement and commercial treaties or pacts could be used as instruments for improving their conditions and ensuring them the rights of citizenship in the countries concerned It is necessary to strengthen the offices of the Indian Trade Commissioners abroad and open more of them whenever necessary but in every case the Trade Commissioner appointed should be an Indian. It is also essential that the new post of an Agent of the Government of India in Burma should be filled up by an Indian and preferably a non-official of wide and long experience. Moreover, it is worthwhile considering whether in view of the importance of the problem of Indians settled abroad and the gravity of their present condition, a separate Department should not be organised under the Central Government for dealing with all questions relating to the position of Indians in the various British Dominions, Colonies, Protectorates etc as well as in other foreign countries This Department should also deal with problems of emigration of Indian labour to places like Burma, Malaya, Ceylon and elsewhere The present machinery whereby these vital questions are being dealt with as one of the functions of a Department is unsatisfactory and administrative reorganisation is immediately necessary in order to enable the Central Government and the public to focus attention on the serious problems affecting our countrymen abroad.

The condition of our countrymen abroad is causing the deepest anxiety. About forty lakhs of our countrymen are living abroad including Burma. Although they have been pioneers in several countries and have opened them out whereafter the Whites and the Britishers came and settled, nowhere is their position safe or their rights and property secure. It does not matter whether it is a Self-governing Dominion or a Crown Colony under the direct control of the British Colonial Office or whether it is Burma which was a part of India till only recently. Everywhere our countrymen, in the absence of a strong national Government to protect their interests and stand up for their rights, suffer various disabilities and have to bear racial humiliation;

their vested rights are attacked and their means of livelihood threatened, they are almost summarily asked to clear out of the country and their national self-respect is of no account. The Order-in-Council in Kenya making final the reservation of the Highlands for the Whites shows that the Imperial Government have accepted the principle of racial discrimination for Indians in the British Commonwealth, while statutorily prohibiting any differentiation between an Indian and a Britisher in India itself even for redressing inequalities or giving preference to Indian industries in their own country. The solemn pledges given to the Indian community in South Africa by the highest authorities there, are being wantonly broken and new measures are being adopted imposing restrictions on trading and occupation of lands by Indians along with other Asiatics and seeking to create racial ghettoes for them. Indians today are, as rightly observed by Pandit Kunzru, helots not only of the Empire but of the whole world. But such measures, apart from their fundamental injustice and inhumanity, cannot but react upon the Whites and the Europeans. The present tense and delicate international situation is certainly not the occasion to rouse bitter inter-racial animosities between the Whites and the coloured peoples in the British Commonwealth and a policy based on racialism will only invite the retort of a coloured front designed to resist European domination.

I thank you, gentlemen, for your patient hearing and with these words, move the adoption of the First Quarterly Report of the Committee.

Presidential Speech of Mr. G L Mehta, delivered at the Second Quarterly General Meeting of the Indian Chamber of Commerce, Calcutta, held on Friday, the 25th August, 1939, at 4-30 p.m. at the premises of the Chamber.

GENTLEMEN,

I welcome you to the Second Quarterly Meeting of the Indian Chamber. The report of the last Quarter is before you and I trust you will find it a satisfactory record of the Chamber's activities to safeguard and promote the interests of Indian commerce and industry. You must have already learnt of the formation during the Quarter under review of the Indian Paper Mills Association comprising Indian paper manufacturers, which is affiliated to this Chamber. The Chamber has now fifteen affiliated bodies including four Associations namely, Indian Sugar Mills Association, Indian Chemical Manufacturers' Association, Indian Insurance Companies Association and Indian Paper

Mills Association, whose offices are now in our Chamber. I have no doubt you will agree that the Chamber is growing in position, dignity and influence and its record of useful service through the co-operation of all interests concerned is one from which we may well derive satisfaction.

Since we last met, world economy has continued to be in a condition of instability owing predominantly to political causes but also in part to the forces that the cyclical movements have not yet turned in our favour. For us in India, our large foreign obligations and the dependence of our agriculture on foreign markets have invested our foreign trade with a vital importance. But the conditions of international trade and the enormous requirements of a population of 400 millions have taught us to look not to foreign trade but to the organisation and expansion of production at home for increase in the prosperity of the mass of our people. The changes in the structure of world economy are such that economic progress is difficult both on the national and international fronts. It is, however, widely recognised now that industrialisation is essential in our country to rectify the exclusive dependence on agriculture and to provide alternative sources of employment Moreover, emigration of our labour or capital to other countries is becoming increasingly difficult, if not impossible, owing to measures adopted by different countries, even within the British Commonwealth, against our countrymen despite the fact that several of the countries have been opened up by and have built up their prosperity on the sweat and enterprise of Indians. There is no doubt that an improvement in the standard of living which in our country is woefully low, must depend, therefore, upon increased production and upon diversification of economic pursuits within the country.

But we are at present confronted with an economic paradox, because whereas we want further development of national industries, existing industries themselves have had to devise and adopt schemes of restriction of output and curtailment of production for one reason or another. In jute, cement and sugar, for example, a policy of restriction is in operation Another growing industry, namely, paper is also handicapped by virtual overproduction so far as the protected categories of paper are concerned. The cotton textile industry, one of the pioneer and most important industries in the country, is also faced at present with an unprecedented slump and has recently adopted or has under consideration similar schemes of curtailment of production in various parts of the country. Even in some of the smaller industries, there are distinct signs of such overproduction relative to demand and if schemes of restriction are not in force, it is mainly because of their lack of organisation. So far as these industries are concerned,

the problem of restoring equilibrium is immediate although the country as a whole must necessarily view the question as one of larger increase in the purchasing power of the people through greater production and distribution of national wealth When we compare the consumption per capita of cloth or sugar or similar articles in other countries with our own, we realise the almost unlimited possibilities of expansion provided by India's internal markets. No doubt there are several other industrial spheres in which there is no such relative overproduction and which could be developed in our country But the fact remains that mere increase in production will not bring prosperity; the goods produced must be effectively consumed. We must, I think, be on guard against the principle of regarding instruments of production as valuable in themselves without regard to the demand for their products Industrial expansion must, in the ultimate analysis, be broadbased on the consuming capacity of the people for which efforts have to be simultaneously made to increase the effective demand and the purchasing power by raising their standard of living. Until the peasant is able to buy the products of the factory, whether small or large, there is not much prospect of increase in industrial output finding the necessary market Besides, it is not possible for us to find many markets abroad for our manufactured goods in the present condition of the world and our existing political circumstances. Hence the vital importance of agriculture and of cottage industries, because without real economic improvement of the mass of people, wholesome industrial progress is impossible While agriculture and industry can and do supplement each other, co-ordination between them could also be achieved through cottage industries and subsidiary occupations for the agriculturists which would create purchasing power in equal pace with production We cannot build the superstructure without a firm and sound basis

In several industries owing to internal competition or the need of restricting production, questions of adjustment and co-ordination have arisen. The problem facing many industries in India today is not so much that of expansion as of steady and more orderly development. But as regards the necessity or desirability of planning of industry, we in India are witnessing the divergence of opinion with which advanced industrial countries have long been familiar. One view is that internal competition must be allowed to work its way freely as otherwise inefficient and uneconomic units would be artificially kept alive at the cost of the consumer. If schemes of restriction benefit the producers of the commodity restricted, it is contended, they do so more often than not by damaging the interests of consumers and eventually recoil on those who are originally benefited. For instance,

anv artificial restriction might by unduly raising prices check the consumption of a commodity or make possible foreign imports thereby reacting adversely on the interests of the industry itself It is again held by others that while voluntary agreement and understanding in the industry in the larger interests of the industry itself are desirable, if found necessary, there should be no State intervention which would be the thin end of the wedge and would eventually end in complete governmental control of all economic activities and functions pertaining to the industry as in a totalitarian State, whether of the Right or the Left Industrialists are not infallible or disinterested, but it is claimed that if they do make mistakes, then they have to pay for them through the operation of market forces which automatically impose penalties and compel a revision of their plans We shall need to discuss more and more in future this vital question of the relationship of Government to private industry because of the growing industrialisation of the country, the increasing complexity of modern economic life and not least, the evolution of democratic form of government which depends on the electorate comprising not only of employers, workers and cultivators but also of consumers It is essential, however, to keep our minds free from any doctrinaire obsessions and address ourselves directly to our practical tasks on the basis of economic facts. Schemes of restriction have, in fact, been adopted not in pursuance of any long range or clear-cut policy but as make-shift expedients in a desperate situation and as temporary palliatives to relieve some immediate difficulty. But although all such piecemeal and fragmentary attempts and experiments have to be judged on their merits, in the light of their economic consequences I for one feel that at the present day it is impossible to urge a policy of State assistance to industry which does not involve, in a smaller or greater degree, some kind of intervention by the State. From protective tariffs to labour legislation, from trade agreements to regulation of joint-stock enterprise, from taxation of private incomes to management of currency and credit which are the very basis of economic activities, the State intervenes in a variety of ways in the production and distribution of wealth and touches private business at every point. If industries concerned prove incapable of adjusting their differences so as to secure their healthy development, the Government as representing the consumer and taxpayer might have to intervene in order to prevent wasteful competition and safeguard public interest For, an industry is not merely a livelihood for the people engaged therein but is a social unit with a wider field of responsibility. It is, of course, a fundamental of such regulation that it should be well-considered and demonstrably in general interest because otherwise it would defeat its own end. Moreover, such regulation or control should not be of a character

which would cramp free initiative and enterprise or undermine public confidence in the industry itself The machinery of the State operates, after all, through human agency and it is imperative that the intervention of political authorities under existing conditions is not hasty or biassed or amateurish It is well to realise that economic problems are complex and the economic structure delicate and sensitive. There are, unfortunately, no short-cuts to the economic millenium No ready-made formula or simple panacea either of *laissez-faire* or planning would cure the economic maladies from which our country suffers Our real task is to devise a social framework which while recognising the right of every citizen to a minimum degree of livelihood and social security would ensure the efficient pursuit of economic activities by preserving the necessary flexibility in the system What we have to strive for is, in the words of Mr J M Keynes, a system where "we can act as an organised community for common purposes and to promote social and economic justice whilst respecting and protecting the individual—his freedom of choice, his faith, his mind and its expression, his enterprise and his property"

Relations between labour and capital constitute one of the principal problems confronting Indian industry at present and further industrial development depends to a large extent upon its solution Industrial centres all over India are affected by strikes some of them sporadic and others prolonged; sane and responsible labour leaders themselves feel somewhat alarmed by some of the manifestations of this industrial unrest as shown by the warnings of sincere protagonists of the labour movement in different Provinces. No doubt the prevalent industrial unrest is in part due to the new consciousness of the masses brought about by provincial autonomy with its widening of franchise and the demand for better standards of livelihood As emphasised by Mr Harold Butler, the late Director of the International Labour Organisation in his report on the "Problems of Industry in the East", "labour management has become as important an element in the succesful administration of an industrial enterprise as technical, financial or commercial management" But if industry in India is to grow and prosper, this is no time for mutual recrimination or wanton disturbance of industrial relationship What the world needs today above all is peace—not only in the international and political sphere but also on the national and economic front. It has been calculated that during the last ten years there have been about 150 disputes each year involving on the average some quarter of a million workers and resulting in a loss of working days ranging from 1 million to 32 millions per annum and averaging about 6 millions. In 1938, for example, 9 million workings days were lost owing to industrial

disputes Apart from the direct loss in wages and earnings, the invisible loss to industry through bitterness, slackening of the tempo of production and general indiscipline is incalculable Strikes, after all, should be the last resort of labour when all means of ventilating its complaints fail and not the first weapon to employ whenever there is any grievance. Strong and healthy trade unionism is the best guarantee against the unnecessary and avoidable loss and maladjustments through strikes and it is to the interests of employers and workers alike that there should be well-organised trade unions for the establishment of settled relations Nor must it be ignored that social amelioration of the workers must come from the earnings and prosperity of the industry itself The workers share in the vicissitudes of the industry and in view of the fact that hitherto national industries in India have inevitably suffered from the lack of a national economic policy, their position when faced by foreign competition on the one hand, and numerous and increasing burdens on industry on the other is hardly enviable. A strike is either for the redress of actual grievances regarding wages or hours of work or treatment or for improving conditions in which case it should be capable of peaceful adjustment and amicable settlement; or it is a frankly revolutionary instrument for ulterior economic or political objectives in which case the matter is outside the purview of the individual employer and beyond the pale of rational discussion and democratic approach because it is an appeal to force. Unfortunately, however, the lack of literacy and education is a fundamental weakness in Indian industry and makes labour liable at times to exploitation by ambitious and even adventurous men who desire to make a professional career out of labour leadership The spirit of indiscipline which prevails today in the industrial world and to which pointed attention has been drawn recently in their report by Dr Rajendra Prasad and Pandit Jawaharlal Nehru in their Award on the industrial dispute between the Tata Iron & Steel Company and the Tata Workers' Union, constitutes a serious problem in the industrial organisation of India. Particularly is this a grave handicap for small and middle-sized industries which are in an incipient stage and are in most cases unprotected It is, of course, essential for industrialists also to learn to adjust themselves to the new conditions, economic and political, and realise that labour is a partner in a joint industrial venture and that it is not merely a commodity or a factor of production but consists of human beings with feelings and wants like our own. In this transitional stage, it is necessary that there should be the establishment of more direct contact and the formulation of a constructive and positive policy of amelioration for labour consistent with the welfare and progress of industry in order to elicit all that is best amongst the

workers by hand or by brain It is a time of test for all of us, for the exercise of patience and sympathetic insight and self-restraint because it is only on a basis of mutual understanding and genuine co-operation that the industrial structure of India can be built.

You will permit me in concluding to refer to one or two other questions of immediate importance. The recent communiques issued by the Government of Bengal regarding restriction of jute cultivation and the fixation of minimum price for jute were carefully considered by the Committee at two emergent meetings and they expressed their sympathy with the object which the Government have in view namely to place the business of jute on a sound footing and to ensure a fair and reasonable price to the agriculturist for his commodity. Since then, the Government of Bengal have issued an Ordinance fixing the minimum rate for contracts relating to raw jute futures at Rs. 36/- per bale. While so far as it goes, the action of the Government is in accordance with the objective stated above, Government should also consider the question of advancing loans against stocks to cultivators and of declaring the Government's intention to buy jute at a fixed price previously announced without which it may be difficult to protect the cultivator from being forced to sell his crop at low prices. As regards the scheme of restriction of jute crop, although undoubtedly there are difficulties and impediments in the successful management of such schemes, the Committee have expressed their approval of the objective underlying it. It is necessary to see, however, that whatever scheme of regulation is adopted, it should not be such as to affect adversely the consumption of jute and jute goods in the world markets The question of regulation of jute cultivation and control of prices is an integral part of the economy of the Province and constitutes a practical example of the need of co-ordination between agriculture and industry in mutual interests.

The publication of the Report of the Imperial Shipping Committee on the position of British shipping in the Orient is an event of more than ordinary importance for Indian commercial and shipping interests. The Government of India having invited the views of commercial bodies on this Report, our Chamber have already submitted their views. The Imperial Shipping Committee have, after a lucid and comprehensive review of the whole question, made certain specific suggestions to safeguard and promote the interests of Empire shipping such as, for example, financial assistance to such shipping, co-operation of merchant and banking interests to ensure a reasonable apportionment of the

trade between the Empire and Japan to the mercantile marines of the Empire, co-ordination between the Governments of the Commonwealth concerned for such purpose, co-operation between the British shipping lines and the mercantile marines of the other parts of the British Commonwealth as well as the establishment of some form of organisation to watch over Commonwealth shipping in the Middle and Far Eastern waters, all of which deserve careful consideration. But the Imperial Shipping Committee themselves have recognised that in India there is an initial distrust to be overcome owing to the past relationship between Indian and British shipping and they, therefore, attach great importance to an improvement in the relations between them and express the hope that the aspirations of India to enter into the field of shipping operations which are natural should be fairly met in a co-operative spirit by the United Kingdom lines. I regret to observe, however, that despite this advice which is specially pertinent today in the present delicate and tense international situation there does not seem to be any change at all in the outlook and policy of the British shipping interests towards the legitimate aspirations, demands and efforts of Indian enterprise in the home-waters of India and in the overseas trade of the country. If a united front has to be presented by the Commonwealth shipping towards the shipping of competing flags, the fundamentals of British shipping policy will have to be revised. It is astonishing that British shipping is prepared to co-operate with the shipping of countries which menace the interests and threaten the trade routes of the British Commonwealth, but is not willing to accept as a partner the shipping of another part of the Commonwealth even in trades which emanate from India or terminate in India or which are based on the market and the bargaining power of India. Since financial aid and active co-operation of commercial interests and of the Governments concerned are necessary, it is apparent that assistance on the part of several constituent units of the Commonwealth in support of British shipping alone is a programme which can hardly form the basis of a satisfactory or permanent policy for Commonwealth shipping. An Empire maritime policy in which India has to bear only the responsibility and obligations involved in its execution without having the rights and powers of an imperial maritime unit, can have no meaning and significance for India. It is hoped that the Government would press for such recognition of India's status and for safeguarding the vital economic interests of India before they participate in any future schemes or implement any policy for the development of Commonwealth shipping.

I thank you, gentlemen.

Presidential Speech of Mr. G. L. Mehta, delivered at the Third Quarterly Meeting of the Indian Chamber of Commerce, Calcutta, held on Friday, the 24th November, 1939, at 4-30 p.m., at the premises of the Chamber.

GENTLEMEN,

I welcome you to the Third Quarterly Meeting of the Indian Chamber. Since we last met, we have shifted to our new premises and I have no doubt you will consider them eminently satisfactory and worthy of the growing stature and dignity of the Chamber. We have had in our new premises two important and representative gatherings, one in connection with the Depreciation Allowance rates under the new Income-tax Act and another regarding the chemical industry I must express my sincere gratitude to all those who have so willingly and generously contributed towards the additional expenses of the Chamber and I trust the Chamber will continue to play an increasingly useful part in the commercial and industrial life of this city, this Province and this country.

When we met towards the end of August last, the international situation was rapidly approaching a crisis and it was clear that nothing short of a miracle could avert the calamity of war The prolonged uncertainty at last ended and we are in the midst of a war during the last three months Although we in India are not directly concerned with the geographical boundaries and changes of political sovereignty in Europe, it is obvious that we have not and we cannot remain unaffected by a war in which Britain is involved. We have undoubtedly to judge this question primarily in the interests of India, which are, however, vitally related to the evolution of an international order based on law and freedom So far as the participation of India was concerned, her belligerancy was assumed as a matter of course because foreign policy and defence are outside the control of the Central Legislature and India's resources are at the disposal of the British Government Unlike the Dominions, India was not consulted or kept advised about Britain's foreign policy nor was her active co-operation elicited in a scheme of national defence But to impose a war on India which is quite feasible under the present Constitution and to obtain India's willing co-operation are two entirely different propositions. The principles for whose vindication Britain claims to be waging the war could and should be effectively translated into practice in India through a satisfactory solution of the internal constitutional problem. There is in this demand no question of bargaining or barter Even the Dominions have always insisted upon their being fully and regularly consulted regarding the foreign policy of Britain and advised

about the precise motives of the war if their co-operation was invited. India is also entitled to demand such effective consultation and claim the rights and powers of an autonomous unit of the British Commonwealth when its burdens and responsibilities have to be undertaken by the Indian people If this demand for the application of principles to a component unit of the British Commonwealth is regarded as wrong because we are in the midst of a war, is it right on the part of Britain to take advantage of India's present subordination and internal differences and on the part of India to take refuge behind a powerful country in order to save itself the effort of self-defence? It is essential to make it clear that the Indian commercial community wholeheartedly supports the demand for a clarification of India's status within the British Commonwealth so as to secure complete political and economic autonomy by whatever technical term it is described. It is, of course, no use denying our differences or weaknesses which set a limit to the immediate realisation of our national aspirations and all efforts must be made to settle and overcome them. But they need not prevent an unequivocal declaration about India's political status or postpone indefinitely steps to implement such declaration by introducing the elements of responsible government at the Centre. Once the fundamental right of India to control her destiny is recognised, the other issues such as the method of negotiations or consultations are of relatively subsidiary importance What has been lacking in the response of the Government of India is a spirit of trust giving adequate proof of the desire to accept India as an equal partner in the British Commonwealth. Sane and responsible Indian public opinion demands, irrespective of political or communal differences, that India's willing co-operation can and shall be given as a free unit and on a basis of equality and that representatives of the Indian people shall have a voice and a share in shaping India's peace and war policies. The commercial community, it need hardly be stated, is as much interested in stability and the safeguarding of legitimate interests as in achieving national development and economic progress. It is because we feel convinced that without the internal constitutional problem of India being solved to the satisfaction of representative Indian public opinion, no political stability or fruitful co-operation is possible that we insist on the adoption of measures for the satisfaction of the national demand.

The war which has overtaken us has economic motives and causes and must involve vast and sweeping economic changes. It is a depressing thought that mankind has not even now evolved any method of settling mutual differences other than annihilation and destruction. Particularly is this deplorable when as at present the economic interests which in many respects transcend political boundaries would be seriously

harmed by the dislocation of normal relationship and the wanton destruction of men and property involved in warfare. Although being far from the centre of actual war operations, our day to day life has not yet been fortunately affected, nevertheless so far as trade and industry are concerned, the war has disturbed normal activities and tendencies Rise in prices of both raw materials and manufactured goods, mobilisation of economic resources for the successful prosecution of the war, interruption of the usual flow of import and export trades. restriction of shipping owing to commandeering or diversion of tonnage for war purposes, uncertainty and delay in transport are all familiar features today. The war has made us vividly realise not only our dependence for vital industrial materials such as machinery, chemicals and dyes and even some raw materials on foreign sources but also the dependence of our foreign maritime trade on non-Indian shipping No country wholly dependent for the transportation of its ocean commerce upon other countries, as India is today, can enjoy freedom or certainty of movement and reasonable expectation as to the rates it will have to pay More seriously, India has suffered loss and inconvenience owing to the fact that the outbreak of hostilities and the national demands of the carrying countries require the use of tonnage for their domestic purposes At the outbreak of the war, the tonnage of the belligerent countries was restricted or withdrawn and of neutral countries disorganised with the result that the overseas trade of India was jeopardised Alike for exports and imports the lack of shipping facilities has been a serious impediment There has been a large and growing demand for several of India's commodities but the difficulty of transportation today prevents India obtaining the full benefits of this increase in demand or of the rise in prices in world markets. We have to rely today, whatever the cost, on the shipping of neutral countries or on British shipping depleted through war exigencies. If India today had possessed national shipping commensurate with her vast coastal and overseas trade and had been freely and adequately participating in the maritime trade of the world and had established a ship-building industry of her own, not only could India have reaped the advantages of the prevailing economic conditions but such shipping would have also constituted an integral part of national defence. In respect of several other industries, however, the country is relatively more self-sufficient than in 1914 and many of them including small and rural industries have naturally received a fillip owing to the war, although some of them have experienced difficulties in regard to import of their necessary materials and ingredients from abroad. The import trade at present is different in composition and character from what it was twentyfive years ago. The country is less dependent on foreign sources

in such consumption goods as textile or sugar and such essential commodities as steel and cement. The increase in prices has had a protective effect in several cases but it is difficult to start new industries in the absence of suitable plant and other facilities of peace time. While, no doubt, the Government are pre-occupied in arranging for their own supplies for war purposes, it should be emphasised that the establishment of vital industries within the country has a defensive and strategic value no less than economic and that, therefore, the continuance of industrial operations and normal industrial activities is desirable for the successful prosecution of war. Economic organisation and mobilisation are fundamental in modern warfare and industrial resources are a basis of national strength and a decisive factor in determining the fortunes of struggle Government should, therefore, co-operate with the industrial interests concerned to secure for them their essential requirements. I have already referred to the convening of the All-India Conference of the Chemical Manufacturers early this month at the initiative of the Indian Chemical Manufacturers' Association which is a body affiliated to our Chamber and you will be glad to learn that as a result of this representative gathering, contact has been established with the Government and enquiries are proceeding as to how the difficulty in obtaining the supplies of essential chemicals may be met by imports and by exploring the possibilities of manufacturing some of the substances within the country.

The rise in prices of retail and wholesale commodities in the early days of the war led to strong and sometimes drastic measures by the Provincial Government to prevent profiteering As you are aware, the Chamber took a leading part in devising measures for price control and we have missed no opportunity to present the view-point of the commercial community to the Provincial and Central Governments. While being anxious to co-operate with the authorities in preventing any exploitation of or undue hardships on the consuming public, we have endeavoured to safeguard the legitimate interests of the manufacturers and traders and to keep clear the distinction between legitimate profits and undue profiteering. The war has come to the aid of the primary producer and others on whom the depression had weighed heavily; and it is necessary to see that they are not deprived of this much-needed relief through the spurt in prices by hasty and amateurish measures. While control of prices and prevention of unfair profiteering are desirable in order to avoid hardships on the mass of people, the principles which should regulate such measures should be carefully evolved and executed so as not to defeat their object by creating a feeling of insecurity and leading to discontinuity of essential supplies. The Conference convened by the Government of India towards the end of last

month to discuss this question of co-ordination of price control has been a useful one and some of the principles which we have been urging including that of replacement cost as a basic factor in permissible price have been accepted It is necessary to see, however, that these principles are given effect to by the Provincial Governments and that in such commodities as textiles, for example, where the industry is spread over the whole country, uniformity is achieved as far as possible in regard to measures of price control It must also be added that with the rise in prices and of profits in some industries and new opportunities in others, not merely the need of contentment of labour but the hard facts of national economy demand a higher purchasing power through increase in wages and salaries in consonance with the conditions of each particular industry.

A word of caution is, however, necessary. No measures should be adopted under the plea of war emergency which would artificially reduce or prevent a rise in the prices of India's raw materials and foodstuffs sold abroad. Some of our agricultural commodities having been at a very low price for a number of years, an increase in their price should be welcomed and the country should not be deprived of the profits which it can naturally make from the staples of which it has virtual or actual monopoly or which are vitally necessary during the war period During the last war period not only did industrial production in the country, meagre as it then was, increase but India also enhanced considerably her exports of manufactured goods At the present day India is better equipped technically and commercially to utilise the opportunity for industrial development It is imperative, however, that advantage is not taken of this situation by non-Indians to establish themselves in key positions within the country under the shelter of constitutional safeguards. The growth and development of industries in India must be under Indian control, ownership and management. Soon after the last war, moreover, the currency and exchange policy of the Government which raised the rupee to two shillings and ended in the Reverse Council sales deprived India of a large part of the legitimate economic gains of the war period. It is essential for public opinion to be vigilant and to see that no such policy is repeated so as to mulct the country of its legitimate benefits in the name of war economy. There has been, and will be, an expansion of productive activity to keep pace with the war requirements and to avail of the new opportunities offered at present to Indian industries for enlarging existing enterprises or reorganising them or starting new ones under the limitations imposed by war Now that in England also the bank rate has been brought to the original level, there is no reason why Government and the Reserve Bank should not take all

possible precautions to see that there is no undue tightening of the money market and that a regime of cheap money is ensured.

The impact of war on Indian economy has led to the establishment of new machinery by the Central Government for utilising the economic resources of the country and for organising Supply and Transport. Unfortunately, however, the Central Government do not appear to be keen or anxious to secure the co-operation of Indian industry and Indian non-official opinion for such purposes There have, for example, been important appointments in departments specially created for war prosecution of non-Indians and in the case of the Controller of Shipping particularly of a person closely associated with British shipping interests whose refusal to respond to the legitimate ambitions of Indian shipping is writ large in the chequered history of Indian maritime activity. It is not surprising if Indian commercial and industrial interests continue to have a feeling that their claims and views will not receive fair and impartial consideration, let alone sympathetic or favourable treatment as nationals of the country, until we have a responsible national government at the Centre The Economic Resources Board which is to act as a clearing house of economical and statistical information, discussion and advice is, I am afraid, going to function somewhat in a vacuum The Provinces which are responsible for the industrial development of the country are not to be represented on the Board, nor have representatives of industrial and commercial organisations been invited for consultation. But apart from the fact that the object for which the Board seems to have been constituted cannot be fully realised without continuous consultation with industrial and commercial opinion in the Provinces and active co-operation of all the interests concerned, the objects themselves are not wide enough. Our problem is not that of mobilising Indian resources for supply to the Allies We have to find out how best we can develop the potential resources of the country so as to build up a balanced economic structure which can make the country self-reliant and strong in peace as in war. The war presents an admirable opportunity to study and realise the gaps in Indian economy from the point of view of national defence and of taking measures to close them. It is hoped that the Economic Resources Board would consider the deficiencies in our economic structure and endeavour to plan a development of key industries such as manufacture of heavy chemicals and the building of locomotives, ships, automobiles and aircraft in the country. The development of such basic industries should be regarded as an instrument of national policy. And India thereby would be economically far stronger to sustain the strain of a prolonged world struggle. In this context, it must be emphasised that industries created to meet war requirements should

receive adequate consideration and protection after the war. Unless the Government's interest in such industries as are established owing to war exigencies is substantial and enduring and sufficient assurances are forthcoming to that effect, there is bound to be industrial dislocation and economic disorganisation when the war ends. The experience of the last war and its aftermath should serve as a warning as well as an example. Too rapid and ill-thought-out expansion or lopsided development would necessarily involve adverse reactions when peace comes. The war boom would be followed by peace slump and measures should be devised sufficiently far in advance to prevent heavy depression. Industrial and public investments should be so planned as to even out business activity as well as Government expenditure and to prevent the boom getting out of hand. We must, that is, plan with a long-range view which includes not only the war period but the subsequent normal times. It is admitted that India's principal weakness is its low national income and a restricted industrial development incapable as yet of meeting all the needs and demands of its vast population Defence expenditure in India does not, moreover, as in other countries go to aid Indian industries to any appreciable extent or to provide opportunities of technical training and employment to Indian talent and skill and labour It is only on so far as these conditions are realised that defence expenditure, although unproductive, can become bearable for the taxpayer in other countries and it is only in so far as Indian industries receive increasing benefits of such expenditure that it will be capable of being borne Self-rule has little meaning or significance today without the capacity for self-defence in a system of collective security and such self-defence has its roots in the economic conditions and development of the country. Industrial development and economic reconstruction must, therefore, be regarded as a primary obligation on the part of the State in war as in peace

It is singularly unfortunate that, while the Government desire the participation and co-operation of Indian interests in the war, in some of the recent measures that they have adopted they have not given any evidence of their own desire to treat India as an equal partner or to recognise the legitimate claims of Indian industries. The decision of the Government in regard to the participation of Indian shipping in the Haj pilgrim traffic is an illustration of the reluctance of the Government to secure the rights of Indian shipping even in a traffic which emanates from India, terminates in India and is concerned solely with the carriage of Indian pilgrims. Apart from the principle of securing an equal share for national shipping in this traffic and the need for implementing Government's policy for the participation of Indian shipping in the overseas trade of the country, the performance and

services rendered by the Indian shipping company in the Haj traffic during the last two years deserved better recognition. We are certainly entitled to ask for a preferential treatment in our home-waters and in adjacent routes or in trades which have an intimate concern with Indian traffic in passengers or cargo. But in the present instance all that was demanded was a procedure of alternate berthings which was fair and equitable in view of the special circumstances prevailing and the necessity of an immediate settlement of the question It is regrettable that this reasonable and practicable proposal did not find favour with the Government who ignoring the claims of Indian shipping allotted the major portion of the traffic to the British shipping concern This is by no means the first instance of its kind in relation to Indian interests when they conflict with British interests But it had been hoped that in view of the need for securing Indian goodwill and unity under the present circumstances, such an opportunity would be availed of to give effect to the Government's past pledges regarding Indian shipping. It is clear that there is no change in the outlook and policy of the British shipping interests towards the legitimate aspirations, demands and efforts of Indian enterprise and unless the fundamentals of British shipping policy which, indeed, determine the attitude and policy of the Government of India towards Indian shipping interests are radically altered, there is no hope of any effective co-operation between these interests in India. There is, in fact, ample evidence available that British shipping interests have been willing to co-operate with the shipping of countries which menace the interests and threaten the trade routes of the British Commonwealth and even to join hands with them against the participation of Indian shipping in the overseas trade of India but they are not willing to accept as partner the shipping of another part of the Commonwealth even in trades which are based on the Indian market and the bargaining power of India. Despite economic and constitutional handicaps, Indian public and commercial opinion cannot and will not acquiesce in such an anomalous and inequitable position and will insist that the vital economic interests of India are adequately safeguarded in any scheme for the utilisation of Indian resources and for securing co-operation between different units of the Commonwealth.

I thank you, Gentlemen.

APPENDICES.

I. Memorandum upon Price Control Policy Prepared by the Economic Adviser to the Government of India.

II. Joint Memorandum on the Bengal Money-lenders Bill, 1939.

III. Replies to the Questionnaire Issued by The National Planning Committee.

IV. Address of Welcome to His Excellency Sir John Arthur Herbert, Governor of Bengal.

APPENDIX I.

I. Memorandum upon Price Control Policy, Prepared by the Economic Adviser to the Government of India.

Copy of Letter No. 501-S & I-War (14) /39 Dated the 31st. December 1939 from the Government of India Department of Commerce to the Chamber.

Subject :—Control of Prices.

I am directed to forward for information a copy of a "Further Memorandum upon Price Control Policy", dated, the 9th November 1939, prepared by the Economic Adviser to the Government of India and to say that the conclusions recorded therein have the approval of the Government of India.

FURTHER MEMORANDUM UPON PRICE CONTROL POLICY, PREPARED BY THE ECONOMIC ADVISER TO THE GOVERNMENT OF INDIA.

1. At a Conference upon price-control policy, held at New Delhi on October 18-19, 1939, and attended by representatives of the Provinces and of certain States, a tentative series of conclusions upon questions of principle were arrived at. It was also decided that the Economic Adviser to the Government of India should prepare an explanatory memorandum, setting forth at length the economic reasoning which is involved, in each particular case, in the conclusions so arrived at.

2. *Conclusion I.—It is expedient to recognise, as a principel of price-fixing, the necessity of having recourse to "replacement-costs".*

3. It is not always fully recognised what the problem which confronts the price-fixing authority really is. At the outbreak of a War, or of any other emergency, when it is anticipated that there will be a relative shortage of supplies in the future, there will be a twofold tendency in the economic field. The consumers of goods will attempt, insofar as they possess the necessary means, to cover their requirements for some time ahead, since they recognise that shortage of available supply will involve a scramble for what they desire and this scramble will lead to rising prices because the better-off sections of society will be willing to pay higher prices rather

than go without. On the other hand, the trading classes of society, also recognising (and in most cases, much more clearly) the possibility of future shortages, are naturally unwilling to part immediately with the stocks that they actually have on hand ; because, they will naturally be inclined to argue, if they refuse to sell now and wait until the shortages develop, their existing stocks will be more valuable. They will only sell now, if they get a price which compensates them for the loss of the higher prices they might have got if they had waited and had refused to sell their existing stocks at once.

Now, it must be pointed out that from the ethical point of view, there is really nothing to choose between one or other of these points of view. The desire of consumers to cover their requirements for a period of time as far ahead as possible at the lowest possible price, or their current requirements, insofar as they cannot, in consequence of limited resources, take much account of the future, is perfectly natural and not in the least blame-worthy. On the other hand, the desire of traders not to sell at a lower price now, when the same article can be sold at a higher price later, or the desire of traders to sell at a higher price now, if the circumstances permit, cannot be regarded as more selfish than the attitude of the customers with whom they are dealing. If it is selfish to attempt to hold up supplies, it is equally selfish to attempt to lay in stocks. If it is selfish to attempt to charge high prices, it is equally selfish to attempt to obtain low ones. It is, therefore, highly important that the whole question of what it is right to charge for a given commodity should be discussed without moral preoccupation. It would be fatal to start with the preliminary presumption that traders are predatory, because they charge or would like to charge higher prices during an emergency, or to start with the contrary assumption that consumers are necessarily morally justified in asking for low or unchanged prices, because these happen to suit their convenience best. It is quite obvious that the problem cannot be profitably discussed in terms of right and wrong, without regard to the economic consequences of adopting various alternative courses of action.

4. Except in those comparatively rare cases when, owing to war conditions, the existing stock must be regarded as the limit of the available supply for the duration of the War, the situation with which price-control is concerned is that of continuing supply, but

supply at changing and, for the most part during the War, rising prices. The public is prepared to pay higher prices, rather than go without, in the case of new supplies ordered at new prices, but resents the suggestion that it should pay the new prices for the old supplies ; arguing that there is no justification, either in equity or from the economic standpoint, in paying as much for the article which has been obtained more cheaply as for the article which has been obtained on more expensive terms.

5. In dealing with the logic of this matter, it must first be pointed out that it is administratively very difficult to insist upon different prices for the same commodity being charged at one and the same time. If dealer A obtained his stock at one price, and dealer B his stock, at another and higher price, B's customers will deal with A and the only effect will be to exhaust A's stock much faster. Meanwhile A will naturally argue that if he refuses to sell *at all*, the public must deal with B at higher prices, which will exhaust B's stock, and, if prices are rising, B will have to buy a fresh supply at still higher prices. In the course of time, the pre-war price will have been forgotten and then A can sell at a still greater profit.

Moreover A, the dealer with the stock acquired at the old price, cannot be prevented from selling to fictitious customers at a slightly higher price and re-purchasing the stock, in which case he is no longer the owner of a "pre-war stock". Again, there is nothing to prevent customers buying A's stock and re-selling it at prices intermediate between A's original price and B's higher price. And, finally, from the public's point of view, the distribution of good fortune (in the sense of being able for the time being able to acquire commodities at lower prices), between various members of the public is purely fortuitious. If there were some method of guaranteeing that, so long as there were any low-priced supplies, the poorer members of the public could obtain them, whilst the richer members were obliged to buy the higher priced supplies, there would be some approximation to distribution according to need, but, of course, in practice it might easily happen that trader with the pre-war stock acquired at low prices might be serving the better-off members of the community, whilst the trader with the post-war stock acquired at higher prices might be serving the poorer members of the community. In reality, the interest of the public

does not lie in the exploitation of perfectly fortuitous factors such as the *defacto* distribution of stocks at a given moment of time but in maintaining such price-conditions as will maximise the chances of supplies continuing to be available.

6. When attention is diverted from completely finished commodities, (which constitute, administratively, a relatively simple problem because it is possible, at a pinch, to follow them physically in their transit from manufacturer or importer, through the wholesaler to the final distributor) and regard is had to the ingredients which enter into finished products, the difficulties and disadvantages of disregarding replacement cost become more easily discernable. A simple case may be taken : that of baking powder used by confectioners. Wholesaler A has a pre-war stock and sells at lower prices, though with the usual oncosts. Wholesaler B has acquired new stocks at higher prices since the outbreak of the war. The bakers who buy from wholesaler B must, if they wish to cover their higher costs, charge more for cakes. Is it reasonable to suppose that those particular bakers who buy from wholesaler A will charge less for their products : or, if they do, that they do it for any other reason than that they wish to divert customers from the bakers who buy from wholesaler B ? And, in any case, how will it be possible for the price-fixing authorities, without an enormous administrative apparatus, to discover from which particular wholesaler a particular baker is buying : in what quantities, and how precisely the benefit is to be passed on to the public ? Thus, except in the relatively restricted sphere of finished products, the differentiation between "old" and "new" supplies and the determination of the appropriate final selling prices becomes administratively impossible.

7. Important as they undoubtedly are, the administrative difficulties referred to in the preceding paragraphs are not, however, decisive. The principal economic justification for the acceptance of the principal of replacement cost is that the acceptance of any alternative principle prejudices the economic status of the trader and through him, prejudices the economic system as a whole. Part of the national capital consists, at any moment of time, of the stocks in the hands of traders. Suppose such stocks to be worth, at a certain moment. ten crores of rupees. If the traders normal profit on turn over is ten percent, the existent,

stocks would be sold for eleven crores of rupees. But, if, as a result of war conditions, prices double and traders are obliged, by the pressure of law or administrative practice, to sell at the old prices *plus* the normal profits, the eleven crores of rupees which they will receive will suffice to buy only a little more than half the old stocks and the real capital of the trading community will have been reduced to that extent. Thus it is right to allow replacement cost to be charged if it is desired not to impoverish the trading community, not in terms of money but in terms of real capital.

8. It may be pointed out that the public, whilst resenting the application of the principle of replacement cost in periods of *rising* prices, invariably demands its application in periods of *falling* prices. Suppose the War to be coming to an end: there will then be the possibility of getting fresh supplies at lower prices. The knowledge that this is so will force down existing prices: firstly, because traders knowing that prices will fall in the future try to get rid of as much as they can of their existing higher priced supplies and this causes prices to fall: whilst the public will restrict their demand, arguing that if purchases can be postpond, the new supplies can be acquired at lower prices and this postponement in itself will make traders still more anxious to sell and again prices will tend to fall. The higher money profits made by traders when they sell old stocks at rising prices are offset by the losses made when old stocks bought at high prices have to be sold at falling prices. It is impossible to justify falling prices by reference to the lower cost of replacement and refuse the application of the same principle to the case of rising prices.

9. *Conclusion II.—The doctrine of "Constructive Importation." whether in the narrower or the wider sense, is not under war conditions, a sufficient warrant for allowing prices in India to rise to a calculated "import-parity."*

A variety of problems can most conveniently be discussed under this head, ranging from certain highly technical cases to the price-policy appropriate to substitute articles which, under the pressure of war scarcity, it is likely will be produced in India.

10. (*a*) In recent discussions between the Government of India and certain business interests the latter advanced the view that in fixing the limits to which prices should be allowed to rise, account should be taken not only of any increase in cost actually incurred, but of potential increases which would be involved if the commodities in question had to be imported from certain areas, in which case dollar prices would have to be paid. Such importation was actually avoided by special arrangements in consequence of which part of the actually imported supply was drawn from sources not requiring dollar-payments, whilst part of the Indian demand was met from sources adjacent to India which might, had it not been for these arrangements, have sold in the world market, and were therefore entitled to payment at rates which took world prices into account. World prices, in terms of rupees, have in fact recently risen, and the business interests demanded that Indian prices should now be adjusted to take account of the change in the rupee-sterling-dollar ratio. Such a rise it was argued, was justified because the imports would have had to take place at world prices, had it not been for the special arrangements alluded to above, which diverted-supplies to India which might otherwise have had the benefit of world prices at present rates of exchange.

11. These claims were not recognised as valid by the Government of India on the *general* grounds that the special arrangements upon which they rested were only possible in a world where there was a possibility of diverting supplies freely to and from all sources of production and consumption, and such a world did not exist under the special circumstances of wartime. For in War Governments in general and not merely the Government of India retained and exercised the right of interfering with freedom of movement and of sale. Thus the Government of India decided that it was unnecessary to allow prices in India to be governed by a standard of international freedom of movement which was purely hypothetical. It was, however, fully necessary to take into account the fact that if India was dependent, as in fact she is, on outside sources for part, or the whole of the supply, of certain articles, it would be necessary to pay what was necessary to attract the minimum quantity which she required. In other words, the rise of prices to be sanctioned depended upon supply conditions: but supply

conditions were to be interpreted realistically and in the light of actual circumstances.

12. (*b*) Such a realistic interpretation of supply conditions is imperative in view of other contingencies connected with the war situation.

Firstly, it is highly probable that increases of price will be defended by actual importers or by those who buy from importers, on the ground that exchange-rates, insurance and freight charges, justify such an increment. As already pointed out, it is necessary to take account of replacement costs, and alterations in the above-mentioned items are legitimate causes of changes of price. Nevertheless, it is the *actual* changes in costs which alone are relevant. It would be illegitimate to assent to the argument that prices should be allowed to rise by, say, x per cent. because, if the article in question had not been imported into India, but sent, say, to the United Kingdom or some European neutral country, the producer in the country of export would have obtained the equivalent of the Indian price *plus* x per cent The fact that the producer is willing to sell to India for less shows that the article can be obtained for less than this "calculated" import-price. The fact is that during War so many restrictions are imposed on the free movement of goods that it is not always possible to sell more than a limited amount to the market which "pays" best and prices in other markets need not be calculated on the assumption that unless the highest price is paid, the article will not be forthcoming at all. In other words, the extent to which prices should be allowed to rise is a question of fact.

Secondly, difficulties may also occur in connection with articles produced in India and intended to be in substitution of those imported from abroad. By the very terms of the case, such articles are not likely to meet with effective competition during the war with imported commodities and the conditions under which they are produced, *i.e.*, *quasi*-monopolistic conditions will make for high prices, high, that is in relation to the pre-existent situation. The "general interest" is affected when such articles can be regarded as "necessities of life," *i.e.*, drugs and medical supplies generally, and, as "necessities of life," they are capable of being legally subject to regulation. If it becomes

necessary, so to regulate them, the principle which must underlie administrative action is, again, this : what is the price appropriate to call forth the desired supply ? Any price which is higher than this would be uneconomical, any price less than this would also be uneconomic. in the sense that the articles would not be produced at all, or not in the necessary quantities. But the "Supply-price" must be determined in the light of actual circumstances, and the standard of reference must be, not the theoretical cost of importation from the old sources of supply, but cost-conditions in India itself.

13. *Conclusion III.—With regard to exportable produce, it is not in general desirable to interpose obstacles to a rise prices, subject, however, to two general qualifications which may develop out of the War situation.*

The general effect of War is to stimulate greatly the international demand for raw materials of all kinds and this War (characterized as it is by a specially acute demand for jute products), is likely to confirm previous experience. Even though enemy countries are as far as possible precluded from receiving supplies, the demand from the rest of the world is likely to be intensified and if the position is complicated, as it is in the present case, by abrupt changes in the dollar value of sterling and the rupee, the rise in the case of articles subject to a war demand may be considerable, so long as shipping difficulties do not intervene to prevent supplies from being exported. Furthermore (though the point may not be of great practical importance at the moment) with price changes and currency changes simultaneously proceeding, the range of exportable articles may increase : for every increase in the world level of prices, relatively to the Indian price-level, alter the possibilities of export. Wheat for instance, which may be out of parity at one level of prices, may become exportable at another. And even if the number of exportable articles does not increase, an increase in the export of a given article will effect the prices of articles which are (more or less as the case may be) substitutes for the commodity actually exported.

It follows from this that the total economic effects produced by rising export prices, directly and indirectly, may be considerable. The first rise of prices does not necessarily affect the position of

the cultivator, unless he has reserve unsold stocks, for the current crop may already be in the hands of intermediary traders. But the effect of such increases, as they become known, is to stimulate the desire of the cultivator to produce more. If he is successfull, there will be a two-fold influence on his cash income, a larger output and a higher per-unit-price. Even if the output does not rise, his cash income will go up as the consequence of higher unit-prices. So long as internal prices of the things which the cultivator buys do not rise in a still greater proportion, the cultivator's margin of free cash resources expands ; it becomes easier to collect lend-revenue ond other dues and he will probably spend more freely. Thus, increases in the prices of exportable produce are to be welcomed, as a general principle.

Nevertheless, as the price-situation develops under the impact of War conditions, the economic position as a whole becomes more complicated. For the very rise of prices which may improve the position of the cultivator may cause a deterioration in the position of those sections of the population who buy agricultural produce and have no direct interest in its sale. If high prices abroad coincided with a *relative* failure of an important food-crop, say wheat, serious administrative situation might easily arise. It is not inconsistent with the general proposition that the rising export prices for the raw produce benefit the cultivator, to limit the extent of that rise if thereby social discontent and a real loss of welfare, can be avoided to other sections of the Community. The extent to which it would be possible to compensate other sections of the Community by allowing wages or other elements of remuneration to rise will be examined in a later section of the Memorandum. Meanwhile, it is postulated here that it is not an illegitimate use of the powers of Government to intervene in the interests of the urban and non-agricultural sections of the community within the limits set out above. It must be borne in mind that what is being advocated is not a demand that the price of agricultural produce should be *reduced*, but that the rise of prices should be *halted* if thereby social discontent can be avoided. From the *practical* point of view, the importance of this limitation on rising prices is limited by the circumstances that it would, normally, apply only to foodstuffs.

But the second qualifying consideration is not so limited. When it cannot be avoided, even the interest of the cultivator

must give way to the paramount interest of the State in the successful prosecution of War, and if it proves necessary to limit exports and thereby incur some sacrifice of potential money income, the sacrifice involved must be accepted as part of the inevitable price paid for the existence of a state of emergency. It would be generally accepted that it would be ludicrous to sell supplies to the enemy, since thereby his resistance would be strengthened and victory might actually be snatched by the other side, and the same logic involves an acquiescence in export-controls, if these are imperative in the interests of supply. It may, however, be pointed out that the area of loss even if this general principle be accepted, is limited. The exigencies of War themselves imply a shortage of exportable produce in the world's international markets, and, though particular commodities may require retention or partial retention in India, this does not apply to exportable produce in general. Nor is it the case that restriction of export necessarily involves a positive loss of income to the cultivator of the controlled commodity. On the contrary, some rise and perhaps a considerable rise, of prices is inevitable and that for a very simple reason If cultivators are free to produce either commodity A or commodity B, the first controlled, and the second uncontrolled, then, unless the price of commodity A is also allowed to arise, the cultivator will naturally turn to the production of commodity B. Hence it follows that; even if it proves necessary to control the export of commodity A, the price paid by the controlling authority for such supplies as it needs of commodity A, will have to take account of the cultivator's propensity to turn to the production of the articles the prices of which are rising the faster and this limits the total loss which will in fact be involved.

14. *Conclusion IV.—Whilst it is undesirable, at present at any rate, to check the rise in agricultural prices which is in progress, there are certain general principles which require to be borne in mind in judging of the situation from time to time.*

As already explained in the previous section of this Memorandum, a rise in the prices of exportable produce is likely to exert an indirect influence on the prices of agricultural produce generally: partly by the diversion of acreage to the production of crops in particular demand, possibly by an increase in the range of export-

commodities. But the forces likely to result in rising prices are more numerous than those already alluded to. For insofar as war results in a stimulation of industry in general in India, there will be an increased demand, both for the raw materials required and for the foodstuffs consumed by the industrial population. Though it would be untrue to say that agricultural prices have remained consistently depressed since the "Great Depression" of 1930-32 it is the case that throughout the world, the real rate of interchange between the products of agriculture and of industry has favoured the producers of the latter rather than the producers of the former, and some readjustment of exchange relationship is therefore to be welcomed. Nevertheless, the relations between the interests of agriculture and of industry are complex, and their complexity inevitably affects price-policy.

If industry and agriculture were two self-contained, watertight compartments of the economic life of the country, it would be right to assume that a rise of agricultural prices *vis-a-vis* of industrial prices would be a net gain to agriculturists. Every rise in the price of agricultural products would mean an increase in the real income of the cultivator, insofar as he spent the proceeds of his sales upon industrial products. But so simple an assumption obviously does not correspond with the facts. Every increase in raw material prices adds to the cost of production of industry and to the extent that the cultivator buys industrial products he loses by the rise in the price of finished products caused thereby. His losses in this direction are, of course, limited. A rise in raw meterial prices may be offset, in part, by a reduction in other elements of cost, such as are occasioned, for instance, by a generally greater volume of industrial activity. And, to the extent that higher prices are paid to the cultivator, whilst the finished products are consumed by non-agricultural section of society, the cultivators' gain remains unimpaired. Weighing these factors against one another, it probably remains true that the balance of gain lies with the cultivating classes.

15 But the matter does not remain at this stage, if the rise of prices is at all prolonged. Increased industrial activity leads to increased industrial employment, with the possibility that as unemployment falls or short time employment decreases, wage-rates increase. In any case, the additional purchasing power

generated by additional activity increases total working class incomes and as they are spent, it is likely that the articles which are, consequentially, in greater demand, will rise in price. It is at this stage that the price and cost situation becomes critical. For it is at this stage that the oppositions of interest which are inherent in the situation may become acute and may lead to a vicious spiral of ascending prices and ascending costs ; and then in turn to ascending costs and still further rises of price. The channel through which the opposition of interest become manifest is industrial discontent. For, whilst it is true that agriculture is the leading economic interest of India, yet "secondary,' employment arising out of agriculture is of great importance and the absolute volume of industrial and commercial activity is by no means insignificant. Given rising prices for foodstuffs and for the other products of the soil consumed by the non-agricultural population in conjuction with a growing scarcity of labour, the seed is sown for a demand for higher wages to compensate for an increase in the "cost of living". If this is acceded to, the prices of industrial products sold to the cultivator will rise, not only because raw material prices have risen, but because other elements in industrial costs will have gone up. The terms of interchange will then change to the dis-advantage of the cultivator and though the difficulty of organising the agricultural interests may check a further rise of foostuff and raw material prices in a compensatory direction, agrarian discontent may develop, because the rise of prices of industrial products will progressively diminish the advantage to the cultivator of rising prices for his own produce *and* because the effort of the various non-agricultural classes to adjust their relative economic interests will cumulatively add to all-round costs.

16. It is not suggested that the difficulties analysed above are of immediate significance, though they have to be taken into account in considering the long-term trend, especially if as appears probale, the present war is of considerable duration, There is, it is true one important proviso to be made, that is, that shiping difficulties do not intervene to prevent the export of raw produce; a serious check to the flow of exports would bring the rise of prices to an end. Should the rise of prices continue, however, there are other considerations, apart from the "vicious circle" of ascending costs and of prices which require to be taken into account. Prominent among these long-term considerations is the relationship

between rising prices and increased productivity. Rising prices, it is obvious, act as a spur to the producer, but only so long (i) as the price of the product which he is selling is rising faster than his costs, so that the margin which accrues to him is widening, (ii) so long as there are unused margins of resources available which can still be brought into productive use. In recent years it has been possible to witness the extraordinary case of an entire national economy *e.g.*, that of Germany, being brought to the limit of "capacity-production". But through capacity-production for an entire economy is an almost unprecedented peace-time phenomenon (and, even in the case of Germany was probably because of the diversion of man-power to the armed forces and the para-military organisation required by a totalitarian state) is not perhaps not so unusul during a war-economy, still less is "capacity-production" impossible when particular branches of production are under consideration. A single industry may easily reach the limit of physical capacity, especially in those cases in which the physical structure of plant and equipment with which it works is complicated and extensive in relation to the man-power involved. For in these cases it is not easy especially under war-conditions, to provide the additional equipment without which an extension of production is impossible. The iron and steel industry is perhaps the leading case in point. And though agriculture as a whole (especially in a country such as India, where in general, the amount of physical equipment per labour-unit employed is relatively small) may appear to be exempted, it remains true (*a*) that additional effort does not, according to a well-accepted generalisation, result in proportionate returns, (*b*) that there may be limits to the extent to which the production of a *single* crop, requiring special soils and aptitudes, can be extended under the stimulus of rising prices.

17. Even under such conditions of capacity production rising prices may have a legitimate justification, insofar as rising prices limit consumption. Nevertheless, it must be recognised that where the limit or productive capacity has been reached, a further rise of prices is bound to increase profits and that without evoking *any* response in the shape of further output. This is a situation which, in general, the consuming public intensely resents, and from the administrative standpoint, therefore, if it is deemed desirable to interpose obstacles to a further increase it would become neces-

sary to decide whether the limitation of consumption *as such* would be a necessary justification for non-interference. A mere limitation by decree or ordinance of any further rise of prices would have the grave positive disadvantage that the gap between the supplies available and the amount demanded would actually widen, since the effect of keeping down prices is to stimulate demand. It would be found in practice that mere price-limitation would not suffice and that, in order to cope with the situation, resort would have to be had to other and more drastic measures, such as requisitioning and control over the amounts which individuals might acquire. But such further measures raise difficulties and problems of their own which are discussed in the following paragraphs of this Memorandum.

18. *Conclusion V.—It is inexpedient at present to make use of any powers conferring on Government the right to requisition, and such powers should only be utilized in the very last resort.*

It is generally agreed that there are circumstances which justify Government in taking over the available supply of a commodity and in distributing it on principles which involove a different allocation of what is available to that which would have obtained under the ordinary custom of purchase and sale. In a beleagured city or in a country faced with famine conditions, to allow free sale to the highest bidder would involve great suffering to those without the necessary means to buy what they need, and in default of any other solution the requisitioning of foodstuffs, for instance, is accompained by as equal a distribution as possible, though even in the case of foodsstuffs allowance will have to be made for the special cases of children, invalids, those doing heavy work, etc. But as has alredy been pointed out in connexion with the discussions of the doctrine of replacement cost, the position which has to be faced in an ordered economy bears no real analogy to the case mentioned above. The practical situation in India to-day is not that in which the distribution of a *fixed* supply has to be considered : it is a case where, in some cases, there is a limited but nevertheless continuing supply. This is true, even in the case of medical supplies *as a whole*. For whilst it is true that certain specialities imported from Germany will not be obtainable for the rest of the War, the possibilities of subsitution, of importation from other countries and of manu-

facture in India still remain, and the facts that these possibilities do exist is an important circumstance which should be taken into account in weighing up the desirability of various courses of action.

The first danger attendant upon a requisitioning policy is that of the disappearance of existing stocks already in India. If a single Province alone were to requisition, the knowledge that it was doing so would spread at once to the rest of the country and stocks would melt by means of fictitious sales and the like. Thus effective requisitioning would have to be the result of a single simultaneous act throughout the whole of India and the fact that such action was contemplated could hardly be prevented from leaking out beforehand : again there exists the danger of wholesale evasion. Secondly, requisitioning even at current replacement price, would be some deterrent to further importation on private account, and, if the requisitioned goods were sold at prices covering these costs, there would probably be an outcry against "government profiteering", whilst, if they were sold under cost, consumption would be encouraged and heavy financial commitments might be involved. If the goods were requisitioned at their original acquisition price (which under the circumstances imagined, would almost certainly be under the replacement cost) there would be no inducement whatever to import the commodity, or manufacture it, in future, and Government would thus, by its action, be imperilling the supply, instead of making that supply more freely accessible. Where there *is* absolutely no chance of any future supply, these considerations do not apply, but, as already pointed out, this is not the typical case. And even in the case where there is a fixed supply, the difficulties connected with distribution would remain.

Nor is it easy to discover what the proper principles of distribution should be. In the case of commodities like foodstuffs, it is not an excessively difficult matter to work to physiological standards of need, modified by special circumstances. But in the case of India there is no need to institute requisitioning or rationing for commodities of this kind. Requisitioning is demanded, if at all, for articles in *common*, but not necessarily in *every day* use, such as iron and steel products or medical supplies. There the difficulties are much greater and there is a danger of a "black market" spring-

ing up in medical certificates, permits to buy, etc. The dangers of accusations of communal discrimination and of corruption of sub ordinate officials have further to be borne in mind. These difficulties, which it is to be noted, are likely to be cumulative, justify the most extreme caution and restraint in making use of requisitioning powers which inevitably imply some system of Government supervision over distribution as well.

APPENDIX.

1. In connexion with price control, a series of practical issues arise which are not strictly of an economic character, but spring from the facts of constitutional structure and legal definition. These are examined in the following paragraphs.

2. (a) *The definition of articles suitable for price control.*—The right to control "the prices at which articles or things of any description whatsoever may be sold" derives from Article 81 of the Defence of India Ordinance, which confers this, among other powers, upon Government "so far as appears to it to be necessary or expedient for securing the defence of British India or the efficient prosecution of the War, or for maintaining supplies and services essential to the life of the community." Provided, therefore, that the object for which price control is instituted in any particular case can be shown to fall within one or more of the three broad categories set out above, the authority of Government, in the sphere of price-fixing is unlimited, so far as the range of articles is concerned. In practice, however, the price-fixing activities of Government have been concerned primarily with "maintaining supplies and services essential to the life of the community." In the notification No. 20-W., delegating price-fixing powers to Provincial Governments and Chief Commissioners, limitations were introduced inasmuch as—

(a) "The power shall only be exercised in respect of *necessaries* such as medical supplies, foodstuffs, salt, kerosene oil and the cheaper qualities of cotton cloth."

(b) "Imported commodities, other than medical supplies, salt and kerosene oil, shall not be brought within

the scope of the orders without the previous sanction of the Central Government."

3. The relationship between "necessaries" and "articles and things," which are "essential to the life of the community" is clear : the greater includes the lesser. Thus, whilst all "necessaries" are essential to the life of the community, it does not follow that all things which are essential to the life of the community are "necessaries" in the technical sense in which that word is used in connexion with price-fixing. Even (which is clearly not the case) if the price-fixing authority were confined to "necessaries" it could cover a wider range of articles than those specified in the notification, and the list therein included was clearly intended by the wording to be illustrative and not exhaustive. So far as the legal position is concerned, therefore it is obvious that the number of commodities which could be made subject to control is very much greater than those actually controlled at present.

4. But what it is possible to do is not necessarily expedient. The case for beginning with "necessaries" is obvious. It is the poorest classes of the population which most require protection against the exploitation of credulity and against temporary shortages : on the other hand, it is if the poorest classes of the population suffer from a sense of injustice and oppression that the danger of unrest and disturbance of the peace is greatest. But every extension of the area of control brings more than proportionate difficulties with it, since the larger the field of control at any moment of time the greater will be the necessity for still further measures. The reason for this is obvious. At any particular moment of time a balance (never perfect and always liable to change) is maintained by means of the price-system between production in general and consumption in general, *and* between the various uses to which plant and equipment can be put as well as between the various directions in which income can be spent. Price-control represents an interference with this balance of forces. If a single article is controlled, the result is not only an alternation in the conditions under which it is produced and controlled, but an alteration in the conditions of production and consumptian of other commodities, as well. If wheat is controlled it is not the wheat market along which is affected, but all grain

markets. But the matter does not stop there. Since grain can be grown on soil which can also grow other crops, unduly low grain prices will lead to the production of substitute articles and their markets will be affected and so on. The danger is that each measure of control will thus call into existence a whole series of ancillary measures. For this reason reluctance to extend the area of control is justifiable, even if no attention is paid to the administrative difficulties involved.

5. It is obviously impossible to settel the question of what should or should not be controlled by attempting to enumerate all the articles for which a *prima facie* case can be made out on the ground that they are either "necessaries" or "essential to the life of the community" ; each case, for which the above qualifications are claimed, must be settled on its merits. The practical question is : what are the merits ? It is easier to state the position negatively than positively. No article should be made subject to price control—

(a) which is subject to elastic supply conditions, so that a rise of price speedily evokes a rising supply,

(b) for which adequate substitutes in adequate quantities are available,

(c) which, is not, directly or indirectly, consumed by the bulk of the population,

(d) which, if an imported commodity, is available from abroad in sufficient quantity at prices within the reach of the population, even though that price may be (in absolute terms) appreciably higher than in pre-war days,

(e) which is subject to such elastic demand conditions that any artificial check to a rise in its price is likely to create a growing disparity between the amount demanded and the amount available.

6. It is not suggested that articles and commodities which are *not* disqualified for control by the tests set out above should necessarily be subjected to control. For the reasoning set out in

paragraph 4 above applies to the field of production as a whole and if it is accepted, warrants caution in all cases.

7. (b) *The division of the task of price-control.*—The principles which should govern the distribution of the work of price-control are simple and flow from the facts of the case. India is an economic entity, whereas the jurisdiction of each provincial government is confined to a definite sub-division of the country. Under these circumstances two or more provinces may pursue conflicting policies in respect of the same article, the more so as the immediate interests of consuming and producing provinces are not identical. It follows :—

(a) That where a commodity is largely produced in one province but is consumed in more than one province, "consuming provinces" must accept the price fixed by the producing province, if any. For, if any consuming province fixes a lower price, it runs the risk of being deprived of its normal supplies. The task of the Central Government in these cases should be mediatory rather than executive. the Centre may be able to reconcile differences of view which, as already suggested, are not improbable under the circumstances imagined

(b) Where a commodity is produced in many centres and at the same time is widely consumed in all parts of the country, price-fixing policy should be in the hands of the Central Government, in order that unity of policy may be achieved.

(c) When it becomes necessary to regulate the prices of imported commodities, such regulation should be undertaken by the Central Government. This is necessary not only to secure uniformity of treatment at the various possible points of entry and in the interests of interior provinces but also to safeguard the interests of India as a whole *vis-à-vis* of foreign countries, for price-control may easily raise *quasi*-diplomatic (as well as economic) issues with which the provinces are not equipped to deal.

T. E. GREGORY.

NEW DELHI ;
The 9th November 1939.

APPENDIX II.

II. Joint Memorandum on the Bengal Money-lenders Bill, 1939.

TO

THE HON'BLE THE PREMIER,

AND

THE HON'BLE THE FINANCE MINISTER,

GOVERNMENT OF BENGAL,

CALCUTTA.

SIRS,

We have the honour to approach you as representatives of the Chambers of Commerce named below in joint deputation on their behalf and to place before you the views of the mercantile community on the Bengal Money-Lenders Bill as amended by the Select Committee.

2 When the Bill was originally published last year, the various Chambers of Commerce submitted separately to the Government their views on the Bill as introduced by the Government. It was hoped that the Bill would be improved by the Select Committee in the light of those criticisms.

3 The Chambers of Commerce as representing the mercantile community are, however, surprised to find that the Bill instead of being improved has been modified by the Select Committee in a manner so as to make the law expropriatory in character and against the basic principles of legislative function and practice, as also to impede considerably, if not to stop entirely the flow of credit both in the rural and urban areas and effectively disrupt the processes of trade and commerce in the province.

4 It is not possible within a short compass to deal with all the undesirable features of the Bill. We shall, however, take this opportunity to mention a few of them from which it will be clear how utterly unworkable and injurious the Bill will be if passed into law.

5. We may begin by drawing your attention to the provisions:—

(*a*) That no interest will be payable on a decree.

(*b*) That the Court shall be under an obligation to grant instalments without interest for a large number of years.

(*c*) To prevent the Court from even passing the final decree in a mortgage suit for a large number of years.

(*d*) That even if default be made in payment of any instalment or instalments the whole amount would not become due, and no interest could be charged on the defaulted instalments in ordinary cases, and only at 3% per annum in the case of mortgage decrees.

(*e*) That even adjusted accounts would be re-opened by the Court for a period of 12 years. The safeguard in the Usurious Loans Act that the re-opening of account could be done only if the interest was excessive and the transaction substantially unfair, has been deleted.

6. We could enumerate many other palpably unworkable and unjust provisions but the above mentioned will suffice to show that it will be impossible for any reasonably sensible person to grant any loan whether in money or in kind under a law which contains the aforesaid provisions. Under the Bill as it stands a debtor can very easily circumvent any contract he may have made for re-paying any loan. In the circumstances it is obvious that the business of money-lending and the supply of credit will automatically cease. Inasmuch as all economic activity, including agricultural operations, and specially trade and industry, depends on a continuous supply of credit facilities, the situation will become impossible if this Bill is passed into law.

7. The matter has become all the more serious because of the changes made in the Select Committee bringing commercial loans and loans advanced by Banks, Co-operative Societies, Insurance Companies, Life Assurance Companies or Provident Insurance Societies etc., within the scope of the Bill. Legislative regulation of the business of money-lending as such becomes necessary only when the parties to the transaction are unequally matched and the borrower is not in a position, due to his illiteracy or other cause, to resist the possible oppression of the money-lender. Commercial loans do not come under this category, as not only are the terms on which such loans are granted regulated by recognised business practice and custom and hence do not differ much from case to case, but the parties to the transaction are also generally well-equipped to safeguard their respective interests. It is therefore a recognised practice to confine the scope of legislative enactments intended for the regulation of money-lending to agricultural loans only and it is clear that any attempt to alter the practice with regard to commercial loans would interfere with and serve to hamper the economic development of the province.

8 So far as banks, insurance companies, trading and other corporations are concerned, we beg to submit that the regulation of such corporations is specifically excluded from the scope of the Provincial Legislature under item 33 of the Federal Legislative List, as given in the Seventh Schedule to the Government of India Act, 1935. Legislation about promisory notes also comes within the purview of the Central Legislature alone. Moreover, so far as Banks are concerned, item 38 of the Federal Legislative List further definitely excludes them from the scope of the Provincial Legislature. Hence, so far as the

Bill seeks to bring banks, insurance companies, trading and other corporations and promissory notes within its scope, it is clearly *ultra vires* of the Provincial Legislature.

9 Apart from the aforesaid reasons, the commercial community strongly deprecate the attempt to bring banks, insurance companies, trading corporations etc within the scope of the present Bill The rate of interest charged by the joint stock Banks is normally determined by the "Bank Rate" which, in its turn, is fixed by the Reserve Bank of India. Ordinarily, therefore, there is no necessity for regulating the maximum rate of interest to be charged by banks Moreover, it does not appear to have been sufficiently appreciated that banks are in a sense Trustees of public money because of the fact that they receive deposits from the public, for safe keeping and are bound to repay the same *on demand*. The banks lend such deposits and utilise them generally for financing trade and industries and it is essential that in order to fulfil their function of repaying their depositors on demand, the loans and the advances made by them should be treated strictly as commercial debts and protected from borrowers who may not fulfil their primary contractual obligations. The Bill, if passed in its present form, would effectively destroy the foundation of credit in the Province inasmuch as banks under its provisions would be prevented from realising their loans etc , easily and expeditiously and thus fail to meet their liabilities on demand. It can even be visualised that under the provisions of the Bill the Banks being effectively prevented from granting loans, would in turn be unable to accept deposits from the public and the domestic savings of the people would be driven into undesirable channels, a state of affairs which cannot be reconciled in any way with Government's oft declared policy in favour of encouraging the development of banking habit among the people

10. As regards Insurance Companies, they very often lend money to parties for the purpose of building houses etc., against landed property and the collateral security of life policies generally maturing at the end of 20 or 25 years. The interest charged in respect of these loans is not usually below 6% and the total amount of interest calculated even on simple interest would amount at maturity to more than the principal which would conflict with the provisions of the Bill to limit the amount of interest to a maximum equal to the original principal.

11. Moreover, many banks, insurance companies, trading concerns and other corporations conduct their business not only in other provinces but in foreign countries as well and it would impose insurmountable difficulties on their operations if they are brought within the scope of this Provincial Legislation and are compelled to maintain their account books in the Bengali language.

12. We, therefore, submit that all commercial loans and dealings by banks, insurance companies, trading and other corporations and promissory notes should be excluded from the scope of this Bill which seeks to regulate the business of money-lending. We would recommend the adoption of the definition of 'Money-Lender' as given in the British Law on the subject namely that a money-lender "shall not include any person *bona fide* carrying on the business of Banking or Insurance or *bona fide* carrying on any business not having for its primary object the lending of money, in the course of which and for the purposes whereof he lends money". (Sec 6: United Kingdom Money-Lenders' Act, 1900)

13. Apart, however, from the desirability of excluding these matters from the scope of the Bill and from the fact that their inclusion is *ultra vires* of a Provincial Legislature under the Government of India Act, 1935, there are various other provisions in the Bill as it has emerged from the Select Committee which will be highly detrimental to credit operations and would retard the growth of trade and industries in the province The maximum rates of interest provided for in the amended Bill (*vide* clause 28(1)(*c*)) are very low. We need hardly stress that the rate of interest is determined not only by a consideration of the service of the money lent but also by the element of risk involved If the rates of interest, therefore, are drastically reduced without due regard to existing economic conditions they are bound to affect savings and reduce the volume of loanable capital The rates as proposed are far below even the rates suggested by the Reserve Bank of India who through their Agricultural Credit Department are in close touch with rural credit conditions and whose advice, therefore, cannot be treated lightly. The proposal to give retrospective effect to these maximum rates of interest is all the more objectionable as upsetting past transactions validly made under the existing law and is against all principles of equity

14 Clause 28 of the Bill also seeks to extend the rule of Damdupat, namely, that the interest should not exceed the principal amount. The application of this principle to commercial loans, and even to ordinary agricultural loans, is bound to make the borrowers lax in repaying their loans. The provision extending this principle to interest already paid or included in any decree is particularly objectionable as also the prohibition of charging compound interest altogether The charging of compound interest is a recognised commercial practice all over the world, applicable in cases where the borrower fails to pay interest on due dates.

15. Clause 33 of the original Bill gave discretion to the Court as regards the number of instalments to be fixed for payment of the decretal

amount. The Code of Civil Procedure also allows such discretion. The amendment made by the Select Committee, however, with retrospective effect, makes it incumbent upon the Courts to grant instalments spreading over a period of 10 years from the date of decree in case of mortgage decrees and over a period of 20 years in case of other decrees. Moreover, if there is any default in the payment of instalments, not only can the lender not charge any interest on such defaulted instalments, except at the rate of 3% in case of mortgage decrees but also there is no other remedy open to him, all sales under the mortgage during the period over which payment has been allowed by the Court to be spread being barred.

16. Clause 2(19) of the Bill as now amended relating to the definition of "suit to which this Act applies" proposes to give retrospective effect to all the provisions of the Bill. This is another very serious matter and we strongly object to this attempt to disregard the rights which have already accrued to the lenders. This proposal to give retrospective effect is likely to have very serious repercussions on commercial transactions.

17. The cumulative effect of all such provisions as pointed out above, is bound to be exceedingly harmful to the whole credit structure of the province. There are many other provisions in the Bill as it has emerged from the Select Committee in respect of which the mercantile community has strong objections, for example, the provisions of clauses 20 and 21 requiring the books of account to be kept and statements to be delivered in the Bengali language only, the provisions of clause 34 seeking to extend the provisions of Section 3 of the Usurious Loans Act, 1918 regarding the re-opening of accounts, the provisions of Clause 34(*a*) over-riding the provisions of the Civil Procedure Code and provisions of clause 36(3) permitting the borrower to pay on account of principal while the interest is still outstanding etc. The scope of clause 37(*b*) should also have been extended to cover Chapter V.

18. We would like to make it clear that we are not opposed to legislation for the regulation of money-lending. An Act on the subject is already on the Statute Book and we agree that further suitable legislation applicable to rural areas may well be of value to this Province. We, however, beg to submit most emphatically that due regard must be given to the fact that money-lending as a business is also governed by economic factors and if undue restrictions are placed in its way, the normal flow of credit to meet the demands of agricultural and industrial development, will be seriously affected. The elementary principle seems to have been forgotten that to make money cheap realisation has to be made easy, but the reverse thereof has been provided in

the Bill. The mercantile community view the same with great concern and alarm.

19. We, therefore, respectfully urge that the Government should not proceed with the present Bill.

We beg to remain,
Sirs,
Your most obedient servants,

Representatives of the

Bengal Chamber of Commerce.	N. W. Chisholm. L. M. Blomenstock.
Bengal National Chamber of Commerce.	J. C. Sen. B. C. Ghosh.
Marwari Association.	Ramdev Chokhany. Mukundlal Chiripal.
Indian Chamber of Commerce, Calcutta.	D. P. Khaitan. N. L. Puri.

Calcutta, dated
18th February, 1939.

APPENDIX III.

III. Replies to the Questionnaire Issued by The National Planning Committee.

INDIAN CHAMBER OF COMMERCE, CALCUTTA.

Ref. No. 1054

135, CANNING STREET,
CALCUTTA.
THE 3rd JUNE 1939.

THE SECRETARY,
NATIONAL PLANNING COMMITTEE,
OLD CUSTOM HOUSE.
BOMBAY.

Dear Sir,

I am directed to refer to the questionnaire on National Planning for India issued by your Committee and to submit the views of the Chamber on the subject. The Committee have not attempted to answer each question as set forth in the questionnaire but have confined their observations to certain more important aspects of national planning.

2. The Committee would like to make it clear at the outset that they do not visualise national planning to mean that the Government should directly interefere with or control the establishment and running of industries in the country. Although India is still far behind other countries in the matter of industrialisation, it cannot be gainsaid that Indian economy has been slowly but steadily progressing towards that end. Following the great impetus given by the country-wide wave of *Swadeshi* in the first decade of the present century and the great world war of 1914-18, India has built up several major industries, for example, cotton textile, iron and steel, cement, sugar and paper. The progress towards industrialisation has been gathering momentum and in recent years the pace has definitely quickened. Thus, for example, within three years of the grant of protection to the sugar industry in 1932, over 20 crores of rupees were invested

in the industry and the country was rendered self-sufficient so far as her requirements of sugar were concerned. This industry employs about a lac of skilled and unskilled workers including a number of educated and technical men n addition to supporting directly about 10 million cane cultivators. Whereas before the grant of protection in the year 1932 India used to import about 8 to 9 lac tons of sugar per annum valued at about Rs. 15 crores, she imported only about 14 thousand tons of sugar in 1937-38 valued at about Rs. 18½ lacs, the slightly higher imports in the current year being due to special circumstances. The textile industry which is the oldest and the largest Indian industry holds capital worth about Rs. 100 crores and employs about half a million workers. During the last ten years, the production of cotton piecegoods in India has more than doubled itself. Thus, whereas in the year 1928-29, the production was 1893 million yards, the production during 1938-39 was about 4300 million yards. The total number of spindles has increased during the same period by 11% to 97 lacs and the number of looms by 18% to 1,97,000. Similarly, the production of jute manufactures in India has increased from about 9 lac tons in 1932-33 to 13 lac tons in 1937-38. Further, whereas the total value of jute exports, both raw and manufactured, from India to foreign countries was only Rs. 7. 79 crores in 1890, the value had risen to 96. 79 crores of rupeess in 1925-26. Since then, however, although the quantities exported have been larger, prices have steadily declined until in 1932-33 they were lower than in any other year since 1905-6. Last year's (1937-38) exports of jute and jute manufactures amounted to about Rs. 43.80. crores. Another most important and basic industry established in India is the iron and steel industry. It is well known that the Tata Iron and Steel Works at Jamshedpur is the largest single steel manufacturing unit in the Empire. It has a capacity to produce 12 lac tons of pig iron. almost the same quantity of ingots and nearly 850 thousand tons of rolled steel each year. Other steel concerns in India together have a capacity of producing about 850 thousand tons of pig iron and 250 thousand tons of finished steel per annum. A number of other large industries have also been established in the country among which the cement, paper, tea, match and chemical industries hold an important place. Among the smaller industries may be mentioned-the soap making industry, manufacture of pharmaceuticals and toilets, glass and glassware etc.

3. It will thus be seen that although India has yet to depend for most of her requirements of manufactured articles on foreign countries, she has been definitely set on the path of industrialisation. The theory of the shyness of Indian capital has been thoroughly exploded. As a matter of fact, India is today reckoned as one of the largest industrial employers in the world and has been given a seat on the Governing Body of the International Labour Organisation. Sir M. Visvesvaraya estimated some time back that the capital invested in industries in India was about Rs. 700 crores and the number of workers employed about 15 million. Despite a halting policy of discriminating protection, the prospect of competition with powerful and long-established foreign manufacturers in the Indian market and Government at the centre which is unsympathetic and, at best indifferent, towards the development of Indian industries, the above record of the progress of Industrialisation in this country appears all the more creditable

4. India is, however, a vast sub-continent with immense natural resources and great possibilities of economic development. The Committee realise that in comparison with other industrial countries and having regard to her size and potential capacity, industrialisation in India is yet in its early stage. Thus, while the number of industrial establishments in India is about 10,000 on the whole, in the United Kingdom with a population of only 13% of that of India, the number of such establishments at work in 1928 was 107,500 and the capital outlay was estimated at Rs. 7,067 crores in 1932 as compared to Rs. 700 crores invested in Indian industries. The United States of America with a population of about 35% of that of India had 174,136 industrial establishments in 1929 with a capital of about 23,000 crores of rupees, and Japan with a population of only 19% had 13,711 industrial corporations with a capital of about Rs 1,009 crores. The income per head of population derived from industries and agriculture is Rs. 12 and Rs. 59 respectively in India while it is Rs. 412 and Rs. 62 in the United Kingdom, Rs. 721 and Rs. 175 in the United States of America and Rs. 470 and Rs. 213 in Canada and Rs, 158 and Rs. 57 in Japan respectively. Indeed, it does not require any argument to show that the "standard of living" of the masses in India is very low. The consumption of cloth in the country, for example, is estimated only at 16 yards per head on the basis of the present available supplies of cloth in the country which are as follows.

	Million Yards.
Production of Indian Mills.	4,000
Imports during the year.	647
Handloom production about	1,800
Total.	6,447

In order to ensure adequate clothing for the population, however, the average per capita consumption should be at least 50 yards per annum and on this basis India should consume at least 19,000 million yards of cloth annually. It will thus be seen that the present production of cloth in India is only about one fourth of what it should be. The total quantity of cotton required to produce all the cloth necessary for providing adequate clothing for our population would at least be 10 million bales. It may also be pointed out that with this increase in the production of cloth, the Indian agriculturist will not be required to look to export markets for his produce and India will not be so eager to sell cotton to Japan and the United Kingdom as it is now made to appear. Similarly, with regard to sugar, the present per capita consumption in India is only about 6 lbs per annum and including gur about 32 lbs per annum as against 105 lbs in the United Kingdom and Australia, 94 lbs in the United States of America, 55 lbs in France and 51 lbs in Germany. The available supply of rice, wheat and other grains was estimated some time back to be about 365 lbs. a year per capita, of salt about 12 lbs and of kerosene about 6 gallons.

5. On the basis of the above facts, it will be clear that the problem in India is one of under-consumption and not of over-production as is sometimes erroneously made to appear. Although several industries like jute, cement, tea and sugar have had to adopt restriction schemes and even certain textile mills are lying idle, the Committee would like to emphasise that this is not due to real "over-production" but due to under-consumption owing to the lack of purchasing power of the people. Given a sufficient increase in the purchasing power there is a vast scope in India for increase in the consumption of goods and what is required,

therefore, is a free field for the development of industries with the active help of and encouragement from the State. With her richness in natural resources, man-power and the large potential market, further extensive industrialisation is not only assured of success but is also essential for the development of the country's economic resources to the fullest extent

6. The Committee are, therefore, of opinion that the chief problem today in India is that of raising the purchasing power of the masses. An alround increase in productive activity is itself an important means whereby the purchasing power of the masses could be increased in addition to other special efforts which the Central or the Provincial Governments should make in order to achieve this end. It is essential that the State should, simultaneously with adopting special measures to increase the purchasing power of the people, also formulate a comprehensive policy for the active encouragement of and assistance to an alround development of industries and to create conditions under which such industries may prosper.

7. However, as the Committee have mentioned at the outset, they consider that direct interference with or day to day control of industries by the Government will be harmful to the cause of industrial development. Under the present circumstances, it is not desirable that private enterprise should be unduly hampered by the Government placing various restrictions on the starting of new industries or on the running of the existing ones. The choice of suitable place where an industry could be started should be left to the discretion of the entrepreneur for if such choice is restricted, it may result in inefficiency and wasteful working. It is also not advisable that the Government should be directly interested in starting various industries, except certain heavy and key industries which the Committee will presently indicate. The function of the Government should be to create favourable conditions for the growth of industries by conducting surveys, researches making available expert advice etc. and to assure them adequate protection against foreign competition and dumping. The Government should also arrange for facilities for industrial training and education. Under the present world conditions, all these functions of the Government become its duty.

8. As regards particular measures for increasing the purchasing power of the people, the Committee find that the various Provin-

cial Governments have taken steps in the direction of reducing the burden of indebtedness on rural population and other rural uplift measures, lowering of land revenue etc. Rural uplift programmes for example, prohibition, would also give relief to the masses by effectively increasing their present purchasing power. Active assistance and encouragement to cottage and small scale industries is also essential. Subsidies could also be given, if necessary, for the development of such industries. It is also necessary that facilities for the availability of cheap credit should be provided and encouraged by the Government. Moreover, public works started by Government on a large scale should also go a long way in improving the condition of the people. Another important method of expediting rural reconstruction work and to improve rural economy is to pump money into the villages by expansion of currency. When production, industrial as well as agricultural, has increased in the country, there should be no hesitation in inflating currency for it is against the productive wealth of the nation that the currency adjusts itself. The Committee find parallel measures having been adopted in various countries during the past few years in order to improve the condition of the masses. Thus, for example, in the United States of America depreciation of the value of money, generous labour laws, increased wages, direct help to farmers, huge public works expenditure even at the cost of unbalanced budgets etc. have helped considerably in maintaining the purchasing power of the agriculturist and labour classes. In England also large-scale housing schemes were started by the Government for the relief of unemployment. Similarly, in Russia along with the industrial programme, a financial programme of public loans, capital outlays and investments, taxation and expansion was also undertaken. The Committee realise that village economy in India has been based on a number of subsidiary occupations and if some of them are revived under modern conditions a harmonious adjustment between large-scale and village industries can be achieved. The Committee believe that the interests of the small and large scale industries are not conflicting. In Japan, an adjustment between the two has considerably helped industrial production and reduced the cost of manufacture. The piecemeal system by which the merchant would supply to the village craftsmen raw materials for the manufacture of a complete marketable unit or different parts of it and finally pool and assimilate the finished product for the purposes of marketing is also worth investigating Small

machinery could also be installed in the villages for the starting of subsidiary industries and cheap fuel and power should be supplied for such a purpose.

9. The establishment of middle and large scale industries should also be encouraged by the State by the grant of adequate protection and by ensuring other conditions of their development, some of which the Committee have already outlined above. As the Committee have pointed out above, they do not see any conflict between large scale and small industries. As a matter of fact, there are several large scale industries which are essential in a certain measure to increase the purchasing power of the masses for the relative agricultural products could not be utilised except as raw materials for such large scale industries. There are certain other necessities of modern daily life which require the existence of large-scale industries, for example, coal, heavy chemicals, machinery, cheap electric power for the establishment of cottage industries etc. Exportable goods could also be produced only by large scale methods in order to be able to compete with foreign products. Large scale industries are also necessary for the manufacture of steamers, locomotives, motor cars, cycles, aeroplanes etc. There are, of course, a few industries which, if the State so desires, could be started under direct Government control, for example, industries relating to the manufacture of arms and ammunitions and other defence material,, certain mining and metallurgical industries, manufacture of locomotives, automobiles, aeroplanes etc. The Committee appreciate that such industries could not be started by individual entrepreneurs at least under the existing conditions in India without active control and direction by the State.

10. The Committee would now like to invite the attention of the Planning Commiitee to certain other important questions which are closely related to the progress of industrialisation and intimately affect its course and which envisage State action.

11. The first point which the Committee would emphasise is the absence of popular control over the Government at the Centre. The fiscal, currency, exchange and transport policies all of which have a great bearing on industrial development are controlled from the Centre and this initial handicap has to be kept in mind

while formulating any scheme for national economic planning under present circumstances. Apart from this, the Government of India Act of 1935 contains certain provisions which are calculated to restrict the actions of even a future responsible Government at the Centre. The commercial safeguards as embodied in Sections 113 to 116 of the Government of India Act, seek to perpetuate economic exploitation of India by the United Kingdom under the guise of preventing "discrimination". In this connection, I am directed to invite the attention of the Planning Committee to the intrusion of foreign capital in India Although the history of the intrusion of foreign capital in this country begins from the days of the East India Company and it has been a declared object of the British Government "to encourage the investment of British capital to industrial enterprises in India", the establishment of subsidiary concerns of some of the large foreign manufacturers has been a very disquieting feature in recent years. The establishment of factories in India by the Imperial Chemicals, the Dunlops, the Batas, the Wimco Match Concern, Lever Brothers, the Phillips etc. are obvious examples of how foreign manufacturers are trying to take advantage of the Government of India's fiscal and stores purchase policies. Not only that; the establishment of these concerns with immense capital and technical resources at their back has meant a death-blow to the nascent Indian industries in the respective spheres. The Committee would refer, in this connection, to an article on "the Future of Foreign business in India" by Mr. G. L. Mehta, the President of the Chamber, which was published in the All India Planning and Industries Supplement of *Indian Finance* in March last which deals with the subject in a detailed and comprehensive manner. The Committee would only like to emphasise that the danger to national industrial development by the intrusion of foreign capital has increased since the External Capital Committee reported nearly 15 years ago and it is time that a fresh enquiry should be instituted into this question.

12. The Committee would also like to refer here to the necessity of the revision of the present fiscal policy of the Government of India. It was as far back as 1923 that following the Report o the Fiscal Commission the Government of India agreed to the policy of discriminating protection. The Fiscal Commission at that time laid down the following conditions which must be fulfilled by an industry before the Government of India could entertain its

claim for the grant of protection. (1) natural advantages by way of abundant supply of raw materials, availability of labour and existence of a large home market ; (2) how far its development is possible without protection ; (3) whether the industry can survive or eventually be able to face world competition without protection. Such a policy of protection hedged by conditions is obviously unsuited to the present world circumstances. A number of countries have resorted to tariff restrictions, bounties, and direct subsidies, quota and exchange manipulations, currency depreciation, bilateral trade arrangements and a number of other devices to promote national self-sufficiency. Under such circumstances, we can hardly expect India to develop her industries to the fullest extent if the Government of India continue to follow such a half-hearted policy of protection and encouragement of Indian industries. The present arrangement by which protection can be granted only to such industries as are already started is also highly unsatisfactory. In the opinion of the Committee. Government should entertain application for protection in respect of new industries also which are proposed to be started and the Tariff Board should function as a permanent body on the lines of the Import Duties Advisory Committee in England. The Committee are, however, constrained to note that the attitude of the Government of India as shown by the pronouncements of prominent Government officials in recent years has been retrogatory. Under the guise of protecting the interests of "consumers", a systematic propaganda is being carried on against the policy of discriminating protection. In his Budget speech of 1935-36 Sir James Grigg the then Finance Member of the Government of India felt "extremely disappointed that it has not been possible to take the first step in the revision of our revenue tariff in a downward direction". How far protection operates to the detriment of the consumer is at best a theoretical argument for there is no definite line of demarcation between a producer and a consumer of goods. Looking even from the point of view of prices, it will be seen that the grant of protection to a particular industry has been followed in several instances by a lowering of the prices in the internal market owing to competition rather than their increase. The prices of sugar, for example, which used to be about Rs. 12/- per maund before the grant of protection came down to a normal of about Rs. 8/- the present high prices being only due to an exceptionally short crop. The prices of textile and

steel manufactures have also been brought down as a result of the establishment of Indian factories. It may be that foreign manufacturers may temporarily bring about an abnormal fall in prices by resorting to unfair competition with the purpose of driving out Indian manufacturers and protection at such a stage may appear to make the consumer pay more. It is obvious that such a conclusion is short-sighted, for, as soon as Indian industry is out of the way, foreign producers would raise their prices again and the consumer would pay more than he would have done if adequate protection had ensured the existence of Indian industry. Moreover, it may be pointed out that England which could afford to uphold the doctrine of free trade on account of its early industrialisation has also been compelled now to grant subsidies and bounties to a number of industries. The beet-sugar industry of United Kingdom is an outstanding example of State subsidising an industry even though it is not in a position to compete with other countries unaided. The Committee are, therefore, of the opinion that the most important thing which is necessary for increasing the pace of industrialisation in order to improve the economic condition of the country is for the Government to follow a policy of full-fledged encouragement and protection of industries.

13. The Committee would now refer to the question of transport systems. Transport policy plays a very large part in the growth and development of industries and it is essential that the question of formulating a suitable transport policy should form an integral part of any planned scheme of industrial development. Leaving aside communication by air which has not yet become an important factor in commercial transport, the transport system of the country may be divided into three important categories namely railway transport, motor transport and shipping.

14. The Committee will now deal with the history of railway transport in India information regarding which will be readily available to the Planning Committee. Railways are by far the largest industry in the country in respect of capital investment and employment of labour. It is estimated that about 800 crores of rupees are invested in railways but the Committee need hardly point out that almost the whole of this capital is foreign, As a matter of fact, the establishment of railway companies in India

formed a major part of the policy of the British Government in encouraging the investment of foreign capital in this country. The Committee are strongly in favour of the Government taking over the management of such railways as are at present under company management. The Committee are aware that the railways are working under contracts from the Government of India but they are of opinion that whenever such contracts of the company managed railways fall due for revision the Government should take over these railways. In the absence of State control over the entire railway system in the country, it is difficult to formulate and put into practice a policy of transport co-ordination. The Committee also suggest the starting of ancillary industries like the manufacture of locomotives, wagons etc. for railways. They need hardly point out that every year a large amount of money is to be spent on the capital programme of railways for the addition and replacement of rolling stock. The encouragement of industries for the manufacture of these and other requirements of the railways is essential not only to prevent this huge amount going out of the country every year but also to make the country self-sufficient in the matter of these essential supplies and ensure the uninterrupted working of an essential public utility service during the time of an international emergency.

15. As regards the motor transport, the Committee need hardly point out that there are great possibilities for the development of this form of transport in a country of vast distances like India. Such a development is essential not only because motor transport has got certain inherent advantages but also in order to prevent the railways having a monopoly of long distance traffic. The provison of alternative modes of transport is necessary to ensure economic freight rates and facilities to the users of the transport services. In this connection, the Committee may point out that whereas they are not opposed to the co-ordination of transport services and to the imposition of reasonable regulations on motor transport in the interests of public safety or convenience, they are strongly opposed to the any unfair restriction on the development of road transport in the interests of railways with a view to prevent its effective competition with them. The Committee may point out from experience that competition from road seems to have been the primary incentive for the railways to try to develop efficiency and to be responsive to the needs and demands of the

public. The Committee are, therefore, strongly of opinion that the whole question of road-rail competition should be considered from a broad view point of the interests of the country as a question of securing the most economical means of transport for the passengers and commodities and not merely as a problem of balancing the railway budget.

16. As regards transport by water, it can be broadly divided into three categories, namely inland shipping, coastal shipping and overseas shipping, although all these three types of shipping are inter-related.

17. The question of inland shipping is a vital subject for a Province like Bengal There are nearly 15,000 miles of inland waterways in Bengal. The province is peculiarly suited for the development of these waterways and their maintenance is as important to its economic well-being and progress as the maintenance of railways and roads. Water transport, it is well known, is economical and in a deltaic province like Bengal, very essential. But it is regrettable that these waterways which have peculiar advantages as a form of transport have been neglected despite the favourable conditions for their improvement and extension, and the interests of inland navigation have not been sufficiently safeguarded as compared with those of other means of transport. The Irrigation Department Committee appointed by the Government of Bengal in 1930, stated, for instance, that "as regards the revival and maintenance of minor routes giving access between the interiors of the country and the main rivers, practically nothing has been done with the result that in some parts of the Province at least channels have been silted, navigation has been limited to a few months in the year and crops can only be marketed when the "Khals" rise high enough in the monsoon to make the transport possible". It is nearly eight years since the Irrigation Committee was appointed and its pivotal recommendation for the constitution of a Waterways Board still awaits Government action. Unless the waterways of Bengal are to suffer continuous deterioration, they should be co-ordinated and controlled by an authority which should have the powers as well as the financial and technical resources to carry out excavation, canalisation, dredging and other works which are essential for maintaining and improving their efficiency. There is no doubt that if these waterways were improved

and extended merchants, producers and manufacturers would utilise them to a larger extent than they have been able to do hitherto. The Report of the Irrigation Department for 1935-36 shows that the total tonnage of boats plying on canals in Bengal was 10,98,653 and the total tonnage of cargo carried 12,18,625 while the value of cargo amounted to Rs. 10, 69, 46, 669. The cargoes of wateways in France, Germany, Belgium and several countries consist mainly of coal, agricultural produce and raw materials, i.e, those commodities, the bulk of which is high in proportion to their value. These are the very commodities which constitute a large part of the trade of Bengal and exports from Calcutta and their carriage by inland waterways needs to be more actively encouraged.

In the highly industrialised countries of the West, waterways are looked upon as supplementing railway transport not only as feeders but as alternative form of communications without which the development of a country's transport system is not complete. The attitude of some of these Governments is admirably summed up in the following paragraph from the Report of the Royal Commission on Canals and Inland Navigation of the United Kingdom :—

> "The annual cost of maintaining the waterways is almost met by the receipts from the dues, but the State expects no return or profit upon the money spent upon reconstruction and large improvements. It is considered in Belgium, as in France, that these works will increase the commerce and wealth of the nation and that the increase of commerce and wealth will strengthen the national public revenue".

18. Such development would also provide scope for the training and employment of a number of our young country-men who should specialise in river engineering and should be assisted to acquire an intimate knowledge and experience of conditions of problems connected with deltaic rivers.

19. It is also necessary to point out that inland shipping in Bengal is predominently in the hands of British concerns and the shares of indigenous concerns is relatively very small. There are a few Bengalee ventures in this line, of which the largest is the

East Bengal River Steam Service Limited. The difficulties and impediments which such enterprise would have to face from vested interests were fully dealt with by Mr. Jogendranath Roy of East Bengal River Steam Service Limited in his statement and evidence before the Indian Mercantile Marine Committee in 1923 and have also been referred to by Sir P. C. Ray in his autobiography. But these difficulties have to be faced and overcome. There is no large indigenous inland shipping company for the carriage of passengers and this is a line of expansion which needs the earnest consideration of the public and commercial leaders.

20. India has a total coastal and overseas trade of nearly £.400 million per year. About 30 million tons of cargo and 3 million passengers are carried every year in these trades. But of this vast trade of India, Indian shipping carries hardly 5%. In the coastal trade of India which should belong to Indian shipping by every canon of International Law, maritime practice and Imperial shipping Convention, Indian shipping at present carries hardly 20% of her cargo and 8% of the passenger traffic. The total Indian tonnage employed in the Indian coast is only about 23% of the total tonnage plying on the coast. Taking the country's maritime trade, India's present mercantile marine presents a miserably poor cantrast to India's contribution to world trade. While the United Kingdom contributes a little over five and a half times India's quantum to the world trade, the United Kingdom has a merchant shipping over seventynine times as much. Norway with a trade less than one-third of India's has a mercantile marine over eighteen times as much. Italy with a fraction over India's trade has a mercantile marine more than thirteen times as much. Greece with a trade one-sixth of India's has a merchant shipping over seven times as much and Russia with less than half of India's trade has shipping more than five times as much as India's. Similarly, Denmark with about one half of India's trade has merchant shipping five times that of India's and even countries like Yugoslavia and Portugal with less than one-sixth and one-seventh respectively of India's trade have merchant shipping larger than India's.

21. The principal of reservation of coastal traffic for national vessels has been accepted by all the important maritime countries of the world. That coasting trade is the nursery for national shipping has received authoritative confirmation in the Convention

of the International Regime of maritime Ports, of 1923 which acknowledged that the coastal trade of a country is its domestic preserve in which foreigners may be admitted as a matter of grace but never as a matter of right. According to an enquiry conducted by the League of Nations 27 out of 33 maritime countries have reserved their coastal trade to their own national vessels. Even within the British Commonwealth the Report of the Conference on the operation of Dominion Legislation and Merchant Shipping Legislation of 1929-30 accepted this principle but although India participated in this Conference, its name was definitely and deliberately excluded from the scope of the Report. The Statute of Westminister has given full maritime autonomy to the Dominions which are entitled to regulate their own coastal trade and control their own shipping. Even British shipping which is the most powerful in the world has been demanding and has obtained assistance from the Government and only a few months ago, the proposals of the British Chamber of Shipping were published which included the grant of a subsidy of half a million sterling in five years to coasting tramps as well as a subsidy to coastal liners.

22. In the overseas trade of India, whereas the share of British shipping is 64.2%, foreign shipping is only 34.55% and Indian shipping has the negligible proportion of 1.25%. The importance of ensuring a place for national shipping in Trade Agreements and Commercial Treaties between two countries is now recognised, as evinced by the example of the Anglo-Soviet Trade Agreement, wherein it was provided that the timber imported by the United Kingdom from Russia should be sent by British ships. In India, however, when the Indo-Japanese Trade negotiations were in progress, it was British shipping which demanded that advantage should be taken of those negotiations to increase the share of British shipping in the Indo-Japanese maritime trade on the basis of India's bargaining power. But this demand was so preposterous that even the Government of India, constituted as they are, turned down this proposal of British shipping on the ground that the Empire or British shipping for which preference was claimed did not include Indian shipping. The Commerce Member of the Government of India has also acknowledged in reply to an interpellation in the Central Legislature that India's bargaining power should be utilised in Indian interests. If India's bargaining power based on India's market can be utilised either in the Indo-Japanese or in

the Indo-British Trade Agreements, it could be and should be done only for the promotion and development of Indian shipping. This is a demand which has been put forward by Indian shipping during these trade negotiations and also before the Imperial Shipping Committee. The legitimacy of Indian demand and the strength of Indian feeling on the subject have been recognised by the Imperial Shipping Committee in their Report. Shipping should be recognised as an integral part of national economy. The shipping freight from India constitutes an important item in the country's balance of payment and in its total indebtedness. Earnings from national shipping in foreign trade would constitute an important item in the invisible exports of India and serve to redress the adverse balance of trade.

23. Empire maritime policy under which preferential treatment is given to British shipping in the matter of carriage of stores and booking of passages by the Government has no meaning and significance for India because India has practically no share in its overseas trade and because this so-called 'Empire' shipping which is really British shipping has hitherto thwarted and hampered the development of Indian shipping even in its home waters and has prevented its entry into the overseas trade of the country. If Britain wants that all parts of the Commonwealth should have proper communications and that the Commonwealth should have an adequate mercantile marine commensurate with its size and economic interests, it cannot merely ask other parts of the Empire to contribute towards growth of British shipping alone.

24. The importance of a national mercantile marine in a scheme of national defence cannot be exaggerated in the present delicate and tense international situation. The mercantile marine is a training ground and a feeder and a second line of defence as well as a reserve for an Indian Navy. As stated by the Commander-in-Chief in the Council of State last year it is not possible to have a navy without a mercantile marine which is till in its infancy. Despite the development of air-craft, the influence of sea-power has not yet passed away. The decline in the importance of large battleships does not mean a decline in the art of naval strategy. The need is for a redistribution of defence expenditure as between land, sea and air. The national mercantile marine is indispensable for the development of an Indian Naval Force and fleet.

25. The difficulties and impediments in the way of the development of national shipping in India are numerous and serious. The commercial safeguards in the new Constitution render impossible the adoption of any effective measures for the promotion or protection of Indian national shipping which has to gain its position inch by inch from vested British interests. While in other countries national shipping is considered as an instrument of national policy, in India Indian shipping has to depend for small crumbs on the favour and mercy of its powerful competitors, even while the Government of the country helplessly watch the situation.

26. No scheme of planning with regard to national shipping can achieve its object unless the stringent, unprecedented and comprehensive commercial safeguards in the new Constitution and particularly Sections 113 to 116 are abrogated. Neither coastal reservation nor any programme of subsidy or bounty is possible so long as these provisions relating to discrimination are in the Constitution and no recognised and legitimate method of developing national shipping is left open. What can be achieved now is only through the goodwill, i.e., favour and mercy of the British shipping interests, and Indian shipping is unable to assert itself on its own inherent strength or rights.

27. Calcutta has also potentialities of development for ship-building. It already possesses some ship-repairing workshops but it has no ship-building yard. Since steel and coal are more cheaply and quickly available here than at any other port in India, it offers excellent opportunities for the establishment of a ship-building industry under Indian control and management. In any programme of planned industrial development for a Province like Bengal, ship-building industry should have an important place not only from the economic point of view but also from the point of view of national defence, Such an industry located in Calcutta will be useful not merely to the port of Calcutta but also to inland shipping of the Province, and, in fact, to the larger industrial development of Bengal as it will lead to several ancillary and auxilliary industries.

28. The Committee would now refer to the question of industrial labour. This is one of the most important questions relating to industrial development. Due to causes which the

Committee need not go into here, the problem of labour unrest has become very serious in every part of the country. The business and the commercial community which has played its part in bringing about the present political and economic consciousness in the country is sympathetic to the needs of the labouring classes and of the necessity of a fair and reasonable adjustment of the claims of Capital and Labour. What has already been happening in the country has, however, given rise to serious misgivings in the minds of the commercial community. While the Committee have every sympathy with the laudable efforts of the Provincial Governments to ameliorate the conditions of labour, they would like to point out that the Provincial Governments would do well not to create apprehensions in the minds of industrialists of any bias against them. It is by maintaining an impartial and judicious attitude that these Governments will be able to make their influence felt best and achieve the ends they have in view. Moreover it is essential that labour problems and industrial reform should be discussed and adopted from an all-India point of view, so that a co-ordinated policy could be laid down. The Committee favoured the establishment of an industrial council for all-India as suggested long ago by the Whitley Commission. Till such time as this Council is not established and the Central Government is not made responsible to the people the work could be carried on by periodical meetings of the Labour Ministers of various Provincial Governments.

29. The Committee would also like to point to the heavy incidence of present taxation both Provincial and Central. With the advent of Provincial Autonomy and the transference of power to popular Ministers, there has naturally been a tendency to seek fresh avenues of texation in financing welfare and reconstruction programmes. This fresh taxation, in addition to the already high Central taxes like Income-Tex, Supertax, is bound to deflect the progress of industries. Moreover, Indian industries have to compete with powerful foreign manufacturers and hence it is essential that the burden of direct or indirect taxation on the commercial community should not be indiscriminately increased. This question requires the serious consideration of the Planning Committee so that a definite policy may be laid down for the Provincial Governments to follow.

30. Before concluding, the Committee would refer to the question of India's national debt. The question was fully exami-

ned by a Committee appointed by the Indian National Congress a few years ago and the Committee trust that the question will receive careful consideration by the Planning Committee, as the annual payments which India has to make in respect of this debt constitute an important part of her economy.

31. I am directed to express regret for the delay in submitting this memorandum. The Committee, however, trust that the views expressed in the memorandum will receive careful consideration.

Yours faithfully,
S. R. Dhadda.
Secretary.

APPENDIX III.

III. Replies to the Questionnaire Issued by The National Planning Committee.

APPENDIX IV.

IV. Address of Welcome to His Excellency Sir John Arthur Herbert, Governor of Bengal.

WELCOME ADDRESS TO SIR JOHN ARTHUR HERBERT.

TO HIS EXCELLENCY THE MOST HONOURABLE
SIR JOHN ARTHUR HERBERT, G.C.I.E.,
GOVERNOR OF BENGAL.

MAY IT PLEASE YOUR EXCELLENCY,

On behalf of the members of the Indian Chamber of Commerce, Calcutta, we have great pleasure today in welcoming Your Excellency and The Lady Mary Herbert to the Province of Bengal, on the occasion of the assumption by Your Excellency of the high office of Governor. We value greatly this opportunity of meeting Your Excellency.

Your Excellency is assuming the reins of this high office at a time when the British Commonwealth is facing a grave crisis, and difficult as the task of Governorship of this great Province already is, it will certainly be more onerous a responsibility to discharge at this critical juncture. Educated in a great democratic country, the United States of America, and having a first-hand experience of the working of another democratic institution, namely the British House of Commons, Your Excellency will, we are confident, discharge the duties of the constitutional Head of this Province on correct democratic principles with sympathy for the minorities and all classes.

We are aware that the policy of the Government of Bengal is, under the present constitution, largely determined by Your Excellency's Ministers but we believe that, holding the high office which Your Excellency does, your advice and guidance can undoubtedly help in furthering the prosperity and happiness of the people of this Province.

We beg to invite Your Excellency's particular attention to the economically backward condition of the great mass of people in this Province. There is a great scope for constructive work in ameliorating the condition of the vast agricultural and rural population. Their education, their health and their economic well-being are all problems which require urgent attention. Although it may sound commonplace, we have no doubt that, so far as their economic condition is concerned, apart from the improvement in the methods of agriculture and the provision of facilities of cheap credit and marketing, the main task before those who have got the destiny of the Province in their hands is to help in the progress and the development of industries both large-scale and small. As Your Excellency is no doubt aware, Bengal is one of the most thickly populated parts of India and it is essential that the dependence of the population on land should be reduced. The task is no doubt formidable and requires courage and vision.

While on the subject of the amelioration of the condition of the agricultural population, we beg to refer to the various legislative measures now being undertaken with a view to solve the problem of rural indebtedness. The Bengal Money-lenders Bill will shortly come up before Your Excellency for assent and another Bill namely the Bengal Agricultural Produce Marketing Bill has been introduced in the Legislature. While we are not opposed to the undertaking of legislation for the regulation of money-lending, what we beg to emphasise is the desirability of an adequate appreciation of the fact that a constant supply of cheap credit is essential for agricultural and industrial development and that if undue restrictions are placed in the way of the business of money-lending and in the way of the normal flow of credit, as some of the provisions of these Bills have the effect of doing, the position of the agriculturist may become worse.

Apart from being a great industrial centre, Calcutta is also an important port and is one of the main channels through which the large import and export trade of India passes. The maintenance of the position of this great city envisages the existence of up-to-date facilities which its port is able to provide to shipping. Calcutta has great potentialities for the development of ship-building industry and as a port for the emigration of pilgrim traffic to Hedjaz.

As we have stated above, the administration of this Province is a difficult and delicate task. We hope, however, that the experience, the ability and the energy which Your Excellency commands would be utilised for guiding the administration of the Province in the right direction and in a manner which will secure the advancement of the interests and the prosperity of all sections and classes of the people inhabiting this Province.

May we again be permitted to offer Your Excellency and The Lady Mary Herbert our heartiest welcome to this Province and express our fervent hope that Your Excellency's regime as Governor of this Province may be marked with an all-round development so that your tenure of office may ever be remembered with gratitude.

We have the honour to be,

Your Excellency's most obedient servants,

102-A, Clive Street,
Calcutta :
Dated 12th December, 1939.